

of enactment of this Act unless any such regulation is approved by a majority vote of either the House or the Senate within 60 days of the date of promulgation of such regulation by the Secretary.

"(B) If neither the House nor Senate provides for the approval of such regulation during the applicable period following its promulgation, no amount appropriated pursuant to this Act shall be used to enforce or administer any identical or substantially similar regulation which has the same effect as the regulation terminated as a result of the operation of Section 201(b)(3)(A)."

S. 1030

By Mr. BIAGGI:

—Page 21, line 17, strike out the quotation marks and the period which follow:

Page 21, after line 17, insert the following: "In the determination of need pursuant to subparagraph (B), the President shall, to the maximum extent practicable, adjust the total volume of supply available to end-users in any State to take into account both consumption levels and any reduction in energy demand which is attributable to programs and guidelines development and imple-

mented as part of the State energy conservation plan."

By Mr. WYLIE:

—Page 43, after line 11, add the following new subsection:

(f) LIMITATION ON MEASURES REGULATING THE TEMPERATURE IN ANY BUILDING.—

The plan established under subsection (a) may not provide for any measures that would regulate building temperatures unless such plan permits an exemption for any building affected by such restrictions, to achieve an equivalent reduction in energy consumption by other means.

SENATE—Friday, July 27, 1979

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. CARL M. LEVIN, a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

Our Father-God, help us this day to remember Thy Son who went about doing good. Give us His strength, His courage, His wisdom, His winsomeness. Keep our faces toward the light of His presence and our feet from paths of failure. Walk with us. Work with us. Be our guide, our counselor, and our friend that nothing we say or do may need redoing. At the end grant us Thy peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 27, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARL M. LEVIN, a Senator from the State of Michigan, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REASONABLE SURFACE MINING REGULATION

Mr. ROBERT C. BYRD. Mr. President, on Wednesday, July 25, a Federal district court judge extended an important deadline under the Surface Mining and Reclamation Act of 1977. He ordered that the States have until March 3, 1980, to submit surface mine reclamation plans to the Department of the Interior for approval. Prior to his ruling, States were faced with an August 3, 1979, deadline.

I raise this issue to focus attention on a thorny problem which is responsible for this delay in the implementation of the act. The clear intent of Congress when it fashioned the Surface Mining Act was to provide a set of specific guidelines which each State would use to craft its own reclamation plan. That plan would be tailored for each State taking into account the special needs and unique features of each State. In this way, Congress sought to protect the environment and, at the same time, respect the rights and responsibilities of the States.

Unfortunately, Mr. President, the States have been unable to exercise the discretion due them under the act. The act has been interpreted by the Department of the Interior as requiring the States to comply with, and, in effect, duplicate every jot and tittle of the Federal regulations.

There are 115 performance standards contained in the Surface Mining Act. The entire act itself is far more detailed than the great bulk of statutes which we consider and approve every year. It is, in fact, a regulatory scheme in itself, not a broad outline of various environmental goals.

Laid on top of this already complex statute are literally thousands of regulations which must be copied by all the States, one at a time. Variations to the Federal rules and regulations are almost impossible for the States to justify, as the burden of proof has been incorrectly shifted to them from the Department of the Interior, where it belongs.

Faced with the prospect of an interminable stalemate or, worse, with the imposition of a burdensome Federal program on each State, the Committee on Energy and Natural Resources acted last week by ordering reported a bill to amend

the Surface Mining Act. The bill contains provisions which will insure that each State has an opportunity to construct its own reclamation plan. The act would be, as Congress intended, the standard against which each State plan would be judged. If found wanting, the plan would be returned to the State for corrective action. That, Mr. President, is the system which Congress envisioned when the Surface Mining Act was adopted.

The Governors of the major coal-producing States, including Governor Rockefeller of West Virginia, support that process.

The distinguished Senator from Kentucky (Mr. FORD) and the distinguished Senator from Oregon (Mr. HATFIELD) have put forth great efforts in this matter.

Mr. President, let me say that I hope that all Senators will devote serious thought to this matter. We all recognize the contribution which coal will have to make to our energy future. Given a fair chance, I am confident that coal will be able to fulfill our expectations.

Mr. President, I yield back the remainder of our time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

SENATE REPUBLICAN ECONOMIC PROGRAM

Mr. BAKER. Mr. President, yesterday all 41 Senate Republicans reached agreement on a Republican economic policy statement—a "program for the decade."

Senator JAVITS was chairman of the Economic Policy Subcommittee of the Republican Policy Committee, and was accorded responsibility for guiding the development of this Republican economic statement.

In essence, it represents a declaration by Senate Republicans that our numerous and complex economic problems—including the acceleration of inflation; the stagnation of productivity; the fall of the dollar; the erosion of personal disposable incomes; the decline of real GNP; and, prospectively, the surge in

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

already unacceptable unemployment—are not insolvable. They will yield to a creative program based on the fundamental resiliency and vitality of our economic and political system and to the cooperative action of Government and private industry.

The Republican economic program seeks to balance the Federal budget, reduce personal and business taxes to increase incentives for investment and improvement of productivity and curtail the regulatory excesses of the Federal Government.

The economic crisis of simultaneous recession and inflation into which we have now entered, coupled with the energy crisis was not inevitable. It is the direct result of deliberate and misguided policies. It will result in the loss of billions of dollars in personal incomes and of human and other productive resources, and it will expose our already weakened economy to the perils of a major downturn.

The present focus on the energy crisis has helped expose the fundamental structural weakness in our economy. Until we put in place effective, long-term programs to deal with these structural weaknesses, we will find ourselves prisoner to the twin evils of continued stagflation: Severe recession and endemic inflation.

Our position in the world economy, while still strong, is being severely challenged both by the strong competition of our trading partners and by the huge real transfers of income to the OPEC countries that the high energy prices are causing. Attempts to compensate for the damage caused to the U.S. economy by this competition and by high energy prices through quick-fix measures, such as tariffs, subsidies, and across-the-board tax cuts, will only paper over the problem and simply further fuel the fires of our double-digit inflation. Our freedom of economic action is further circumscribed by the dollar's role as the major key currency of the international monetary system and, hence, by our need for a strong and stable dollar.

While economic policy cannot be subservient solely to the dictates of the foreign exchange markets, the behavior of the dollar on these markets is an excellent litmus test of our economic performance. We must, therefore, mold our economic policies with one eye on their effect on the dollar.

Most importantly, the rampant inflation is having a debilitating effect on the social fiber of the American people, pitting one group against the other for a greater share of the shrinking real economic pie and submerging the national interest, which has guided this country for more than 200 years, to conflicting self-interests. All these factors make it imperative that economic policy focus on wringing inflation out of the economy.

Based upon these considerations and upon the present unstable economic environment, Senate Republicans have proposed a comprehensive economic policy program—an economic program for the decade—founded upon four principal themes:

The control of the present double-

digit inflation is critical to the long-term health of the U.S. economy and depends importantly upon the adoption of policies—first, to foster improved capital investment, productivity, research and development and personal saving and investment in order to expand the productive capacity and efficiency of our economy; and second, to bring the Federal budget into balance as soon as possible as an integral component of stable monetary and fiscal policies;

The present and prospectively worsening problem of unemployment, bearing so heavily on minorities and youth newly entering the labor force can be remedied by placing greater reliance upon the private sector of our economy through expanded use of jobs tax credits for employers and vouchers for the structurally unemployed;

The crisis of confidence which has arisen in our country is reflected in a crisis of confidence in the health of the U.S. dollar, which has been battered by our inability to deal with the new wave of inflation and by a fundamental erosion in the overall position of the United States in the world. Restoration of the strength of the dollar internationally is of paramount importance and will require better control of domestic inflation, a massive export development drive and the establishment of a world capital fund to move capital for productive purposes to cooperating developing countries.

The U.S. tax system should not operate to reduce the real standard of living of the American people. Accordingly, Republicans support substantial phased reductions in Federal income taxes to encourage incentives for economic growth and job opportunities without inflation and to limit the growth rate of Federal spending.

Republicans in the Senate believe that the present high rate of inflation is the result both of economic mismanagement in the past 3 years and of deeply rooted structural deficiencies in the U.S. economy which have not been attended to by the present administration. Consequently, purging inflation and establishing a firm foundation for economic recovery will require time and a steady course for our country.

Senate Republicans present this Republican economic policy statement as a pledge of their intention to introduce, work for and implement economic policies which truly are designed for the decade to come.

The statement follows:

REPUBLICAN ECONOMIC POLICY STATEMENT INTRODUCTION

Today, a lack of confidence in the ability of the present Administration to develop consistent and reliable economic policies has bred a climate of uncertainty about the health of the U.S. economy and even about the position of the U.S. in the world.

Controlling inflation, cutting taxes, and increasing our national productivity are the main economic concerns of the American people. Senate Republicans are prepared to furnish fresh, optimistic, and decisive leadership to accomplish these objectives.

Our program for balancing the federal budget, reducing personal and business taxes to increase incentives for investment and improved productivity, curtailing regulatory excesses, and other measures to in-

crease investment and job opportunities is in sharp contrast to current economic policies.

In recent months, economic uncertainty has yielded to genuine concern about the danger of a severe recession because:

(1) Inflation has reaccelerated to double-digit levels in this year,

(2) Unemployment has remained very high, and

(3) There is an almost total absence of a coherent national economic strategy and energy policy.

Inflation is eroding the value of savings and wiping out recent increases in personal incomes, while simultaneously increasing the tax burden by forcing Americans into higher tax brackets. Unemployment has persisted in the range of 6 percent for the last year and shows no signs of improvement any time soon. Indeed, it is now expected to worsen considerably. And youth unemployment continues at intolerable levels, particularly in the older cities.

Compounding the problems of worsening inflation and unemployment are the continuing weakness of the U.S. dollar; very high interest rates; the sharp fall-off of R. & D. investment; and the virtual stagnation of U.S. productivity growth—the key to jobs, rising standards of living and stable prices.

The economic danger before us is very real, therefore, but the Administration seems to lack either the ability or the will—or both—to deal with it. Instead of formulating the needed economic initiatives—to restrain inflation by increased productivity and enterprise; reduce unemployment; reduce the trade and payments deficits; increase the real GNP by bringing the national books into balance; and restore domestic and world confidence in the dollar—the Administration has seemingly chosen a policy of papering over the basic economic illness by market manipulation of the dollar, wage and price exhortation and surrendering on energy policy.

The Administration continues to rely principally upon an almost unintelligible, already unsuccessful program of half-mandatory/half-voluntary wage and price controls and a series of energy programs by which, even if approved, little will be gained in energy sufficiency. The economic history of the world proves the folly of continuance of wage and price controls which distort the economy and incur ultimately greater inflationary pressures. The imposition of wage, price or credit controls cannot be justified except in a time of true national emergency.

Clearly the loss of confidence in the leadership of the U.S. has its roots in a fundamental skepticism about the effectiveness of U.S. leadership.

Senate Republicans believe action is needed now, to avert what could be a major domestic and world economic disaster early in the course of the next decade. There is a need to put before Congress and the people an action program which would be directed to: securing the living standards of the people; reducing unemployment by providing permanent private sector jobs, particularly among minorities and youth; restoring confidence in the U.S. dollar; stimulating capital formation and U.S. productivity as the only enduring approach to stable prices and full employment; reducing the burden of unjustified federal tax brackets on individuals and corporations; balancing the federal budget; and reducing our dependence on foreign energy sources.

Accordingly, Senate Republicans put forward this "Economic Program for the Decade"—an action program to begin to make right what is so wrong with the U.S. economy.

Budget and taxes

1. It is vitally important that the tax system not operate to reduce the real standard of living of the American people. Therefore, we support substantial phased across-the-

board reductions in federal income taxes to encourage incentives for economic growth and job opportunities without inflation and to limit the growth rate of federal spending.

2. Our objective must be to bring the federal budget into balance and to curb future deficits.

3. There should be a mandatory limit on federal spending. A policy of no "real" growth in federal spending through FY 1982 is desirable. The spending limit needs to be sufficiently flexible to allow for national economic and other emergencies.

4. The excessive burden of the national debt must be reduced. Budgets must provide surpluses for this purpose. Receipts from the sale of certain federal assets such as oil leases and surplus federal properties could help accomplish this goal.

5. A thorough review of all federal entitlement programs is necessary to help reduce the rapid growth of federal spending.

6. It is of the utmost urgency that the Social Security system be reviewed and revised so as to ensure the continuation of our financial commitment to our older citizens, the solvency of the trust fund, and to be fair to our younger workers, with particular regard for eliminating fraud and abuse in the disability program and providing relief from escalating payroll taxes.

7. Federal accounting procedures must be changed. The hidden spending of "off-budget" agencies through loans and credits should be highlighted in the Congressional budget.

8. There should be a thorough review of federal budgetary and accounting procedures, with consideration given to applying the accounting procedures of the private sector to the operation of the federal government, to obtain a more accurate picture of the federal budget in terms of capital assets as well as outlays. In this connection, a Task Force on the Federal Budget should be formed to review and make recommendations to Congress and the people on federal budgetary concepts, procedures and standards.

9. To further reduce federal indebtedness, the U.S. should be more vigorous in the collection of its debts, domestic and foreign.

Capital formation and productivity

1. Personal savings and investment should be encouraged by incentives, rather than penalized through taxation. There should be universal eligibility for Individual Retirement Accounts of up to \$1,500/year. By saving for their own future, Americans would be investing in a stronger, healthier economy.

2. As an incentive for greater savings and investment, a savings interest exclusion should be provided and the present dividend exclusion from federal personal income taxes should be expanded.

3. Government at all levels should revise regulatory systems which presently divert investment capital away from productivity and job creation and divert business enterprise into non-productive purposes.

4. Improved levels of productivity in the private sector are paramount if the United States economy is to make progress in winning the inflation battle. Business incentives toward increased capital formation and investment must be encouraged through business tax reductions, tax credits, and accelerated depreciation allowances. Realistic tax incentives spur investment. Depreciation allowances for plants and equipment, including equipment to meet environmental regulations, should be accelerated and adjusted for inflation, in order to permit depreciation allowances to approximate more closely the true replacement costs rather than historical costs of capital equipment.

5. To increase productivity, the United States must recover its former place as the

world's leader in industrial research and development. Tax credits for new R & D expenditures would provide a significant incentive for improved research and development spending. The United States must increase properly conceived federal expenditures for accelerated research and development in order to replenish the nation's reservoir of technology and energy alternatives.

6. Sunset legislation for all federal regulatory agencies should guarantee the periodic review and, if necessary, adjustment of their scope and purpose.

7. The Congress should exercise effective but practicable control over proposed federal regulations to ensure that they carry out the intent of Congress. On the federal level, every proposed regulation should be subject to cost-benefit analysis to ensure that potential benefits are not outweighed by its economic impact.

Employment and unemployment

1. Full encouragement should be given to the highest priority need for work-study programs in high schools and colleges to attack the basic problems related to the high levels of unemployment among several groups, i.e., those lacking the training, education, and the desire to achieve the needed skills for productive employment.

2. Targeted tax credits for hiring the structurally unemployed—similar to the Targeted Jobs Tax Credit enacted last year—provide an important incentive to employers to hire the economically disadvantaged. Full use should be made of these and similar tax credit incentives to reduce unemployment among those segments of the labor force—youth—with disproportionately high unemployment.

3. Cash bonuses for employers should cover part of the costs of bringing jobless Americans into the productive economy. In this regard, CETA's voucher demonstration project, helping the private sector hire trainees most in need of jobs, should receive a greater percentage of CETA funds.

4. Labor and management should cooperate to strengthen and expand training and apprenticeship programs in the skilled crafts, especially in small businesses, and measures to improve productivity with appropriate participation by each in the avails of such improvements.

5. Labor-management councils, bringing employers and employees together to improve working life conditions, should be encouraged.

6. The Private Sector Initiative Program (Title VII of CETA) should be expanded, so that persons trained in this program can have better opportunities for career development.

7. The charter of the U.S. Employment Service should be revised to foster better coordination with other federal activities, especially those conducted under CETA.

8. Part-time and flexi-time work schedules deserve greater use to accommodate workers and their families with special economic and domestic situations.

9. A youth differential in the Minimum Wage, with appropriate safeguards against displacement and only for a limited period of time, could have a significant impact on youth employment.

10. Regulation and paperwork requirements must be simplified for all business and construction activities in order to increase employment opportunities through reduced overhead costs.

International trade and monetary policy

1. The Federal Government, with active participation by leadership from the private sector, should develop and implement a comprehensive national export policy to promote aggressively the export of U.S. goods and services and to defend U.S. trade interests.

2. Export licensing procedures should be simplified, streamlined, and better defined. There should be a firm commitment to control the export of advanced technology to non-market nations in accordance with the provisions of the Export Administration Act. We remain committed to the principles of free emigration before Most Favored Nation Status can be extended.

3. A broad effort should be launched to assist smaller businesses to participate in exporting, beginning with reform of the Webb-Pomerene Act.

4. We advocate elimination of export subsidies through international negotiations, acknowledging the impediments to this process. Until such subsidies are eliminated, we should take appropriate steps to support American industry in world markets through organizations such as the Export-Import Bank and the Commodity Credit Corporation.

5. Improved trade relations within the Americas are urgent and necessary for our States must begin to emphasize the importance of hemispheric trade. To that end, we urge the creation of a Western Hemispheric Economic Commission to study ways and means of joining together with our neighbors to ease and facilitate such trade to our mutual benefit.

6. The U.S. must work actively with Japan and other surplus countries to check continued undisciplined trade surpluses and also to remove nontariff barriers to trade. Failure to resolve this problem may cause political pressure for protective measures to become irresistible.

7. The DISC tax incentive for U.S. businesses should be retained, and other tax incentives for exports should be provided, as long as our overseas competitors maintain similar export subsidies. Special provision for U.S. citizens working abroad is essential to maintain our competitive position.

8. The Federal Government should systematically monitor imports to anticipate future trade problems before they cause the shutdown of American plants and the loss of jobs. To this end, we recommend trade adjustment assistance to provide more timely and equitable relief to labor and industry.

9. U.S. monetary policy must be based on a firm commitment to a strong and stable dollar. This means money supply growth based upon the real growth in the economy. A strong dollar requires improvement in our economic fundamentals: a lower inflation rate, an improved trade balance, and a significant reduction in oil imports through domestic production, conservation and effective measures to deal with the OPEC Trust.

10. In protecting the dollar from sudden or severe fluctuations on foreign exchange markets, we should support vigorous intervention in the operations of the foreign exchange markets. High interest rates are a direct result of inflation with its excess money supply growth. A strong dollar will mean lower interest rates and less inflation. To this same end, the desirability of gold sales by the Treasury and the policy of "demonetization" of gold should be reevaluated.

11. The International Monetary Fund should exercise more effective surveillance of surplus economies and should work more closely with commercial banks.

12. The transactions of U.S. banks in the Eurocurrency markets should be more closely evaluated.

13. The U.S. should resume its leadership role in the international monetary system. We should convene world financial leaders to develop a long-term plan for the evolution of the present monetary order into a

true multi-currency reserve system characterized by stability in exchange rates and minimal world inflation.

DEATH OF MRS. ANN MELL, MOTHER-IN-LAW OF SENATOR RIBICOFF

Mr. BAKER. Mr. President, it was with a special sense of sadness that Mrs. Baker and I learned of the death of the mother-in-law of our friend, the distinguished Senator from Connecticut, Mr. RIBICOFF.

It is well known to many of my colleagues that Joy Baker and Casey Ribicoff are close friends. In the last few months they have been brought even closer together by common personal trial and loss.

Both of their mothers were seriously ill for several months. Only last week, Joy's mother, Mrs. Louella Dirksen, passed away. And now we have the sad news of the passing of Mrs. Ribicoff's mother, Mrs. Ann Mell.

These days of common concern have also been days of mutual consolation. It is, I believe, a tribute to this institution that its Members and their families can rely on each other's strength, compassion, and friendship in difficult times.

I know all my colleagues will join me in expressing our deepest sympathy to Casey and ABE RIBICOFF in their time of sorrow.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS, 1980

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed with the consideration of H.R. 4394, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development and for sundry agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments as follows:

On page 2, line 12, strike "\$1,160,474,000" and insert "\$1,140,661,000";

On page 2, line 13, strike "\$37,500,000" and insert "\$50,000,000";

On page 2, line 17, after the colon, strike through and including the colon in line 25;

On page 3, beginning with line 5, insert the following:

RENT SUPPLEMENT

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701a), is reduced in fiscal year 1980 by the uncommitted balances of authorizations provided for this purpose in Appropriation Acts.

On page 5, line 19, strike "\$77,000,000" and insert "\$82,000,000";

On page 7, line 11, beginning with the

comma after "1982" strike through and including "106(d)(2)" in line 14;

On page 8, line 4, strike "\$400,000,000" and insert "\$675,000,000";

On page 8, line 8, strike "\$35,000,000" and insert "\$50,000,000";

On page 8, line 13, strike "\$140,000,000" and insert "\$130,000,000";

On page 9, beginning with line 14, insert the following:

LIVABLE CITIES PROGRAM

For contracts, grants, and other assistance, not otherwise provided for, as authorized by the Livable Cities Act of 1978 (Title VIII, Housing and Community Development Amendments of 1978, Public Law 95-557), \$3,000,000, to remain available until September 30, 1981.

On page 10, line 5, strike "\$49,000,000" and insert "\$50,300,000";

On page 10, line 20, strike "\$543,495,000" and insert "\$536,120,000";

On page 11, line 14, strike "\$8,186,000" and insert "\$7,603,000";

On page 12, line 13, strike "\$41,250,000" and insert "\$40,600,000";

On page 12, line 23, strike "\$8,326,000" and insert "\$7,611,000";

On page 13, line 15, strike "\$506,748,000" and insert "\$515,319,000";

On page 13, line 17, strike "\$233,568,000" and insert "\$232,568,000";

On page 13, line 21, strike "\$475,809,000" and insert "\$515,592,000";

On page 14, line 9, after "Expended" insert a colon and the following:

Provided, That none of the funds provided under this Act shall be used to enforce any regulation issued under the construction grants program which has the effect of retroactively applying project requirements or conditions not in effect at the time the grant for a project is awarded.

On page 14, beginning with line 15, strike through and including line 25;

On page 15, line 4, strike "\$2,238,000" and insert "\$3,238,000";

On page 15, line 20, strike "\$3,026,000" and insert "\$3,126,000";

On page 16, line 4, strike "\$2,725,000" and insert "\$2,625,000";

On page 16, line 23, strike "\$131,121,000" and insert "\$129,621,000";

On page 17, line 17, strike "\$119,109,000" and insert "\$118,709,000";

On page 19, line 9, strike "\$3,799,500" and insert "\$3,822,500";

On page 20, line 15, strike "\$954,900,000" and insert "\$964,900,000";

On page 21, line 7, strike "\$5,000,000" and insert "\$5,500,000";

On page 21, line 15, strike "\$7,000,000" and insert "\$8,900,000";

On page 22, beginning with line 3, strike through and including line 13, and insert in lieu thereof the following:

The amount which may be borrowed, from the public or any other sources except the Secretary of the Treasury, by the Central Liquidity Facility as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795), shall not exceed \$300,000,000: *Provided*, That administrative expenses of the Central Liquidity Facility in fiscal year 1980 shall not exceed \$1,756,000.

On page 23, line 2, strike "\$718,000" and insert "\$750,000";

On page 23, line 14, strike "\$56,600,000" and insert "\$59,600,000";

On page 23, line 19, strike "\$896,800,000" and insert "\$915,300,000";

On page 23, line 20, strike "That not more than \$59,400,000 shall be available for Applied Science and Research Applications: *Provided further*,";

On page 25, line 18, strike "\$9,500,000" and insert "\$12,000,000";

On page 26, line 16, strike "\$6,854,924,000" and insert "\$6,170,924,000, of which not to ex-

ceed \$1,599,333,000 shall be allocated to State governments pursuant to 31 U.S.C. 1226, notwithstanding any other provision of law";

On page 27, line 5, strike "\$1,034,000" and insert "\$1,022,000";

On page 27, line 11, strike "\$50,000,000" and insert "\$48,100,000";

On page 29, line 10, strike "\$127,847,000" and insert "\$122,847,000";

On page 30, line 5, strike "\$584,967,000" and insert "\$588,392,000";

On page 31, line 21, strike "\$1,700,000" and insert "\$1,000,000";

On page 40, beginning with line 16, insert the following:

Sec. 409. None of the funds provided in this Act may be used to pay for travel if the employee elects to take annual leave while away from the official duty station.

The ACTING PRESIDENT pro tempore. Time for the debate under this bill is limited to 3 hours, to be equally divided and controlled by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Maryland (Mr. MATHIAS); with 30 minutes' debate on any amendment except an amendment by Senator PROXMIRE on cutting assisted housing by \$700 million, on which there shall be 1 hour; a Mathias-Baker amendment on revenue sharing on which there shall be 1 hour and which shall be the first floor amendment taken up under this agreement; and the Javits amendment on flexible subsidies on which there shall be 1 hour; with 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the HUD-independent agencies appropriation bill for fiscal year 1980, as reported by the Senate Appropriations Committee, provides total new budget authority of \$71,356,151,000, which is \$607,324,000 below the amount contained in the House-passed version of the bill and \$1,594,710,000 less than the budget estimate.

With budget authority of \$71.4 billion, this is one of the biggest appropriation bills the Senate will consider this year. In fact, I think the only bills that are larger are the Defense appropriation bill and the HEW appropriation bill.

It is absolutely essential we make some reductions in the bill as reported by the committee because we are bound to be, before we are through this year, well over the budget resolution if we do not.

I say that in spite of the fact that the

bill as reported, without regard to supplemental budget requests in the HUD-independent offices area, is \$607,324,000 below the amount approved by the House-passed version of the bill and about \$1.6 billion less than the budget estimate.

But I am going to explain shortly why despite those cuts we are going to have to make further sharp reductions, or exceed the budget resolution and accept a deeper deficit than we had promised with our budget resolution vote in May.

This legislation provides funding for the Department of Housing and Urban Development, the Veterans' Administration, the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Science Foundation, the Department of the Treasury's revenue sharing operations, and a number of smaller agencies, offices, and councils.

Each Senator will find on his desk an errata sheet that corrects certain minor mistakes in the committee's report on the bill, Report 96-258. As some of my colleagues may know, the report was filed shortly after the full committee acted on the bill last Tuesday, and these minor errors were inevitable under the circumstances. By making corrections through the use of an errata sheet rather than completely reprinting the committee's report, my colleagues will be happy to know that we have saved the American taxpayers \$5,000.

That is a beginning, anyway.

Before I turn to a discussion of the bill as reported I want to serve notice on my colleagues that I intend to call up an amendment later in the debate to cut \$34,300,000 in annual contract authority and \$700,000,000 in new budget authority for assisted housing from the bill as it now stands. I will explain this proposed cut in more detail when I call up the amendment.

It is important that I point out to my colleagues that the budget authority recommended in H.R. 4394 as reported is only \$44 million under the first concurrent resolution on the budget. I say that this is important because we can expect to consider an additional \$1.1 billion in supplemental budget requests for veterans benefits, disaster relief and pay raise costs before the fiscal year is out. Virtually all of that supplemental money is going to be uncontrollable entitlement spending that we simply cannot turn down.

This means that we have the potential for being at least \$1 billion above the first budget resolution even if the Senate approves the bill as reported. It is important to keep this in mind as we act on the legislation before us today.

REVENUE SHARING

Mr. President, I would normally begin my discussion of the bill with an explanation of the committee's actions with regard to the Department of Housing and Urban Development, but before I go into the intricacies of the bill let me mention the most significant change made by the committee in the bill as

passed by the House—namely a \$684,-000,000 cut in the general revenue sharing program. This reduction is to be applied solely against payments to the States under the program and is made in recognition of the fact that a great number of States—19 to be precise—have cut taxes in the last 18 months because of surpluses while all of the States are taking in more money than they are spending.

I repeat that all States are taking in more money than they are spending.

The reduction would cut the State share by one-third, and not touch the counties, not touch the cities, but it would make a very substantial reduction in the overall obligations the Federal Government would have otherwise. After all, that is two-thirds of a billion dollars.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By the largest portion of the budget authority provided in the bill is devoted to the activities of the Department of Housing and Urban Development. This is because we are required by the Budget Act to provide long term budget authority for periods of up to 40 years for housing subsidy programs. For example, although the total recommended by the committee for the Department's activities in fiscal year 1980 is \$33,637,-451,000 in new budget authority, most of this amount—\$26,680,128,000 to be exact—represents the authority to enter into long-term contracts for assisted housing.

The committee has recommended two changes in the assisted housing program as approved by the other body. We have eliminated House language mandating that 60 percent of the units subsidized be new units and that 40 percent be existing units and have, instead, left this decision to local communities through their housing assistance plans. The current mix under the local plans is 66 percent new housing, 34 percent existing housing. The committee also increased the amount recommended for public housing modernization from \$37,500,000 to \$50,000,000.

The most significant change we have recommended in HUD's budget is an increase of \$275,000,000 over the House bill for the urban development action grant program. That is what the President recommended. He recommended an increase in the UDAG program from \$400,-000,000 to \$675,000,000. That is an assertion of faith in a brandnew program that has had only a year or so to get moving and has not given us the kind of results some of us expected to have. That was the committee's decision.

As a result of the committee's increase, the total recommended for UDAG is \$675 million—an increase of almost 70 percent above current levels, and it is a mammoth increase.

The committee also has recommended the rescission of \$5 million in annual contract authority and \$200 million in long-term budget authority for the rent supplement program. This is a rather

tentative rescission because it is based on HUD's assumptions as to how much contract authority will be recaptured under the program next year. In any event, since this is a rescission of existing contract and budget authority it does not affect the new budget authority figure recommended by the committee.

Other significant changes in the House-passed bill include: An increase of \$15 million to a total of \$50 million for the section 701 comprehensive planning grant program; the proposed initiation of a \$3 million livable cities program; an increase of \$5 million for the troubled projects operating subsidy program; a reduction of \$10 million in the rehabilitation loan program in line with the housing authorization bill recently passed by the Senate; and a reduction of \$7,375,000 in the amount provided by the House for HUD's salaries and expenses.

The total amount recommended by the committee for the Department of Housing and Urban Development is a mere \$4,700,000 under the Department's budget request. That means that we have given them, in dollars, just about exactly what they requested. We have recommended much less than a 1-percent reduction. As I say, we are virtually giving them all they asked for.

RELATED AGENCIES

Turning now to the other agencies supported through this legislation, the most significant changes the committee has recommended are in appropriations for the Environmental Protection Agency, the National Aeronautics and Space Administration, and the National Science Foundation. We have proposed increases above the House-approved amounts for each of these three agencies.

The Environmental Protection Agency administers a great many extremely complex programs and the committee has recommended a number of changes in the EPA portion of the bill as approved by the House. The total EPA budget in the bill as reported is \$4,668,-142,000.

The committee increased the amount provided by the House for the Agency's abatement and control programs by \$39,-783,000. A significant part of this increase is attributable to a \$19,429,000 budget amendment that was not considered by the House and which would be used to meet the problems created by hazardous waste sites. The committee also endorsed a \$10,000,000 add-on to the House-approved appropriation for the section 208 areawide waste treatment management program. This would bring total funding for the program in fiscal year 1980 up to the budget estimate of \$40,000,000. Other increases in the abatement and control account include an additional \$5,600,000 for State air control agency grants resulting in a total recommendation of \$85,600,000 for that program; the restoration of the \$4,400,-000 cut by the House from the administration's \$7,795,000 request for the underground injection control grant pro-

gram; \$2,500,000 for spill prevention and response under section 104 of the Clean Water Act; \$1,000,000 for the administration of the ocean outfall permit program under section 301(h) of the Clean Water Act; and \$354,000 for a study of the Flathead River basin in Montana.

The committee also recommended the restoration of \$6,000,000 in personnel compensation cut by the House from EPA's salaries and expenses request as well as the restoration of a House reduction of \$6,000,000 in anticipatory research under the agencies research and development budget. The anticipatory research increase is offset in part by minor reductions in the amounts approved by the House for integrated pest management and air health and ecological effects research.

The most significant program funded by EPA is, of course, the waste treatment construction grant program. The committee has concurred with a House reduction of \$400,000,000 in that program. The committee has included language in its report endorsing the so-called two-tier proposal, which would reward States effectively obligating their construction grant dollars with an additional allocation of grant support. Finally the committee has recommended the inclusion of language in the bill which would prohibit EPA from retroactively applying newly promulgated regulations to construction projects that have already been approved.

The committee has recommended an increase of \$33,000,000 in the House-approved budget of the National Aeronautics and Space Administration with the bulk of the increase coming in NASA's research and development programs. The committee has included \$17,000,000 for a number of activities that were not included in the President's budget including additional funding for a variable cycle engine, support for advanced rotorcraft technology and a budget add-on for a national oceanic satellite system. The bill as reported also restores \$10,000,000 cut by the House from NASA's research and program management budget. The total of \$4,943,500,000 recommended for NASA includes a budget amendment of \$220,000,000 necessary because of cost overruns in the Space Shuttle.

Turning now to the National Science Foundation's budget, the committee has recommended the restoration of \$18,500,000 cut by the House from research and related activities. This increase would make the NSF a billion dollar agency for the first time, with a budget of \$1,005,500,000 in fiscal year 1980.

The committee has recommended relatively few changes in the Veterans' Administration budget as approved by the House. The total of \$20,316,624,000 recommended by the committee is \$2,750,000 below the House level because of the committee's decision to hold medical and prosthetic research to the budget request of \$122,847,000, which is \$5,000,000 below the House. Although the committee has made other minor changes in the VA

portion of the House-passed bill, the most noteworthy action we took was to endorse a House add-on of \$76,380,000 to the budget request for medical care. These added funds would support an additional 3,800 positions.

Of course, the bill before us today includes a number of smaller agencies. For example, the bill provides \$441,930,000 for the new Federal Emergency Management Agency, a cut of \$16,500,000 below the budget estimate and \$1,900,000 below the House-approved amount. This total includes \$6,114,000 for the staffing of the newly relocated Fire Academy—funds that were requested in a budget amendment that was not considered by the House.

Finally, the bill as reported contains general language which would prohibit agency employees from taking annual leave in the course of traveling on agency business. This limitation is the direct result of a committee investigations staff report which indicated that in a number of cases agency employees were taking extensive periods of annual leave following brief business visits to such distant points as the west coast of the United States and Western Europe.

Mr. President, that summarizes the major actions the committee has recommended. Obviously, there are a multitude of minor changes that time prevents me from discussing.

Before I relinquish the floor, I thank my distinguished colleague Senator MATHIAS, who not only is a highly capable Senator, but also is a joy to work with.

He has a great sense of humor. He also, unfortunately, has a knack for winning on almost all occasions and defeating the chairman of the committee. This is more of a Mathias bill than a Proxmire bill by a considerable amount.

I have great admiration and envy for his success, and I am going to do my very limited best to try to combat the damage he has done to this bill so far, but I am not too optimistic about the prospects for my success.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill, as thus amended, be regarded, for purposes of amendment, as an original text; provided, that no point of order shall be considered to have been waived by reason of agreement to this order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. I reserve the remainder of my time.

Mr. MATHIAS. Mr. President, let me first address myself to the very thoughtful and kind comments made by the distinguished Senator from Wisconsin. He has raised his reputation for charity and generosity, but he has done it by putting at risk his reputation for veracity, because he has been entirely too generous in his comments.

I do think we have a rather unusual climate in the subcommittee, in which we very vigorously disagree, but so far we have been able to avoid heat and

anger in our disagreement. It is a great pleasure to work under those conditions, because we can hammer out intellectually our differences and then put them on the anvil of the voting process and bring them to some resolution.

I do not take quite as pessimistic a view of this bill as does the Senator from Wisconsin in terms of its frugality, because the record here is not bad. The bill recommends \$71,356,151,000 in new budget authority, and that is an enormous sum of money. It is beyond the realm of the imagination of the average person, certainly beyond my imagination, to really conceive of \$71,356,151,000.

Mr. PROXMIRE. Mr. President, if the Senator will yield, let me point out when I first came to the Senate—it seems only yesterday but it was a few years ago—\$71.4 billion was virtually the entire budget of the United States. That would have taken care of all of HEW. It would have taken care of the entire Defense budget. It would have taken care of HUD, of course, and every other agency. That \$71 billion is a mammoth amount, it is concentrated in a relatively few agencies, and this is only the third largest appropriation bill. It is a mammoth amount and it is too big.

Mr. MATHIAS. Mr. President, it is a mammoth amount. The question of whether or not it is too big or just enough or not quite enough is, of course, the issue that we are going to resolve today. In measuring that I think we have to keep in mind that that figure has been very carefully calculated by our colleagues in the Appropriations Committee and their calculations are so precise that this is \$44 million below the first concurrent resolution. It is \$1.6 billion below the budget estimate, \$1.6 billion below the figure that the President of the United States requested to run the Department of Housing and Urban Development, and it is \$607 million, more than half a billion dollars, less than the House of Representatives appropriated for the operation of the programs that are comprised within this bill.

I think that is a test of our concern about economy. It is a measure of our success in trying to meet the prudent objectives of fiscal restraint, which have been before us throughout this budget process. And I think the fact that we were able to do a little better than the President, a little better than the House of Representatives, and a little better than the Budget Committee is noteworthy. I think we should keep that in mind as we assess where this bill is strong and where it is weak, where it should be supplemented and when we give it final approval.

GENERAL COMMENTS

Mr. President, the bill recommends \$71,356,151,000 in new budget authority, this is \$44 million below the first concurrent resolution, \$1.6 billion below the budget estimate, and \$607 million below the House bill.

I would like to point out that the budget targets for the HUD Subcommit-

tee assumed that \$600 million in budget authority would not have been required due to anticipated legislation action—this action never materialized. The Budget Committee has also identified another \$400 million that might have been added to the first concurrent resolution had the committee been aware of the changing requirements of several programs. Thus, for these two reasons alone, the assumptions made by the Budget Committee have resulted in a target \$1 billion below what might otherwise have been expected. It is unfortunate that because of these assumptions made by the Budget Committee, there has been pressure to reduce some of the worthy programs contained in the HUD bill.

I do not believe that because assumptions made in good faith, but proven by events to have been made in error, should be allowed to shorten the appropriations for urban America which are absolutely necessary. After all, 85 percent of all Americans live in cities and I take very much to heart what the Senator from Wisconsin said about the fact that when he came to Congress the whole budget for the Nation could have been comprised within this single budget for one executive department today.

But for good or evil, for better or worse, we have assumed some national responsibilities for the cities. The national program itself reflects a concern for cities and responsibility for cities.

We have assumed that responsibility I think should do it well, or else we should waive that job, discharge ourselves from that obligation, disband the Department of Housing and Urban Development, and go back to an earlier period in American history. Until we do that, I think we should provide sufficient support for the programs that we undertake so that they can reach their objectives and not fall short of exactly what we hope to attain by those programs.

I shall comment very briefly on some of the points in dispute in this bill. When I discuss the points in dispute I wish to make it clear, Mr. President, that most of this bill has been written on the consensus principle, but there are some places where we still disagree, and one of those is in the level for housing assistance payments. The appropriation for housing assistance payments for the fiscal year 1980 is identical with the President's request. We are asking no more than the President's budget suggests is necessary, and that will be able to assist approximately 265,000 low- and moderate-income families to acquire basic shelter housing. Two hundred sixty-five thousand is less than half the national goal that Congress established for itself and tried to meet national housing needs. Housing, that fundamental necessity of human life in this climate, is a product in short supply in America. There are millions of American families who either do not have a home

or who have inadequate homes, and this shortage was viewed by Congress as one of our serious national deficiencies. We set as a goal for ourselves the construction of 600,000 housing units a year. We have fallen far short of that goal, and this year in this bill we are only providing for 265,000 low- and moderate-income units. That is not a great deal considering the need. It is not a great deal particularly considering the current state of the housing market, where it is very difficult for young people just starting out or for elderly people whose incomes are severely limited to find reasonably priced rental units. I think that this particular program of 265,000 units for housing assistance payments is absolutely necessary, and I hope that the Senate will resist the suggestion that will be made shortly by my friend from Wisconsin to reduce that particular item in this budget.

We have another area of disagreement which will come to the Senate either by way of an amendment or by way of a point of order to certain language in this appropriations bill, and that is a section which the committee, after some vigorous debate, voted to reduce the share of the States in the general revenues by the amount of nearly \$700 million. I am not going to go into detail on that point at this moment, because it will be discussed later at length but I wanted to put the Senate on notice that there will be a vote at some point on the question of the level of revenue sharing with the States, and this is a matter of vital concern to every State in the Union, and every Governor of every State I think has been alerted to the serious consequences if we do not restore the level of revenue sharing which was originally contemplated in the bill.

The portions of the bill which deal with the Veterans' Administration are, of course, of enormous concern to every Member of Congress because they deal with the commitment of the American people to the men and women who served in the Armed Forces and who have given a part of their lives in this patriotic service.

It is my philosophy that the veterans program should not only aim at compensation for the time spent in the armed services and for the hazards and hardship that may have been implicit in that service, but also for the loss of opportunities which young Americans necessarily experience when they give 2, 3, 4, 5 years of their most productive parts of their lives to military service.

So I feel we should provide adequately for the services which we have committed to the veterans of America. I believe this bill does reflect that kind of concern and a fulfillment of that kind of promise we have made.

The bill contains over \$20 billion for the various programs of the Veterans' Administration. This is about \$70 million above the President's budget request, and I think in this instance the judgment of the committee is better than the judg-

ment of the administration, because we will take account of what we feel are certain needs, certain deficiencies in the veterans program, and I think we have strengthened the program by providing additional funds and additional personnel to serve the veterans' needs.

Now I would like to briefly highlight some of the major provisions in the HUD and related agencies appropriations bill.

HOUSING AND URBAN DEVELOPMENT

The bill includes \$33,637,451,000 in budget authority for HUD. This is \$4,699,750 less than the budget request.

In a major statement of policy the committee took exception to the House action which would change the mix of assisted housing. The House action would federally mandate a national ratio for new construction/substantial rehab and existing housing. The committee believed, as I do, that the Department should utilize the local housing assistance plans to determine the mix and distribution of subsidized housing. The Housing and Community Development Act of 1974, as amended, specifies that these local plans should be used "to the maximum extent practicable." The most recent data available to the committee indicates that 27 States have a need for a larger percentage of new/rehab units than would be permitted by the House action. In addition, many cities within the remaining 23 States have new/rehab goals above the 60 percent target established in the House bill. The House action was motivated by the belief that it would be less costly to meet the housing needs by using existing housing rather than by constructing new housing. Unfortunately, there is not sufficient existing housing to meet the need. For example, over the last 3 years the net annual loss of rental housing has been 2 percent. This translates to about 20,000 units lost last year. The loss of multifamily housing has been largely due to a decline in new production of rental units, abandonment and foreclosure of older dwellings and conversion of rental units to condominiums and cooperatives. It is estimated that vacancy rates of 5 percent to 9 percent are needed to provide normal housing mobility. Currently the Nations rental vacancy rate is below 5 percent, with an effective rate of 2 percent to 3 percent. This is the lowest it has been in 24 years for which the Census Bureau has kept such statistics. The consequences of this housing shortage translate to increased competition and demand for the shrinking number of existing units which will push rents upward and thus, will ultimately increase housing costs for the Department. It is important to highlight that HUD's multifamily programs are a basic force in maintaining the level of multifamily starts in this country. The most recent estimates are that about 50 percent of all multifamily activity is directly dependent upon HUD's insurance and subsidy programs. Once again, I believe that the subcommittee and the committee acted wisely in not additionally reducing the availability of housing in an already tight housing market. It is quite clear to me that in order

to have a workable assisted housing program we must depend heavily upon a local assessment of suitability and availability of housing.

In a related issue, the subcommittee and the full committee rejected attempts to reduce the budget authority for section 8 assisted housing by \$700 million. Such a reduction would preclude the reservation of approximately 15,000 housing units in fiscal year 1980. This would come on top of an estimated reduction of 60,000 units already included in the President's budget. The administration estimates that in fiscal year 1979 it will reserve a total of approximately 360,000 units. The fiscal year 1980 request is estimated by the Department to result in a reservation of 300,000 units—and this estimate is considered optimistic by the Congressional Budget Office by approximately 34,000 units. A further reduction in housing units at this time would go completely counter to the current trends in the housing market.

The committee has also recommended the full budget request of \$675 million for the urban development action grants program. This is \$275 million more than provided in the House bill. This program, authorized under the 1977 Housing and Community Development Act, is designed to encourage joint public-private ventures to combat local, economic and physical stress. To date the program has been one of HUD's most successful efforts, achieving a leverage of 6 to 1. For the 398 action grants awarded to date over \$4.5 billion in private investment has been leveraged on the basis of \$734 million in Federal funding. Based on 181 of these projects a total of \$2.2 billion in increased property value and \$80 million in property tax have resulted. In addition, over 170,000 permanent jobs will be created through these existing projects and more than 78,000 jobs will be retained in distressed areas. Data on the 192 projects which have housing components indicate that over 24,000 housing units will be constructed and almost 27,000 units will be rehabilitated.

Currently there is a great unmet demand for additional funding in this program. HUD's projections indicate that requests totaling approximately \$1 billion from 250 large cities are expected by September 30, 1979 and requests in excess of \$500 million from approximately 300 smaller cities. In both the subcommittee and the full committee amendments were offered to reduce the action grants program below the amount requested. On both these occasions these amendments were rejected. If this amendment was accepted the estimated effect on the program would have been as follows:

It would reduce the number of additional projects that could be started by 75.

It would decrease the amount of private capital that could be levered by \$775 million.

It would reduce the number of additional new permanent jobs by over 23,400.

It would reduce the number of hous-

ing units constructed or rehabilitated by 8,000.

It is also important to note that the pending "pockets of poverty" legislation, would require over \$100 million to implement, leaving little or no funds to meet the demands of distressed cities and urban counties had the proposed cuts been sustained.

In addition to the above major actions, the committee has also recommended an additional \$5 million for the troubled projects operating subsidy account. This important program provides operating subsidies for financially troubled multifamily subsidized projects where it can be demonstrated that projects are well managed or where improvements in management will be made. The purpose of the program is to insure the financial stability of existing rental housing projects and to prevent potential losses to the FHA fund resulting from project insolvency. The \$4 million added by the committee brings this account up to the budget request for fiscal year 1980.

In another action the committee recommended an increase of \$15 million for HUD's comprehensive planning grants program over the \$35 million provided by the House. The amount recommended, while \$10 million above the budget request, is \$3 million below last year's appropriation. The committee recognizes that this program is the only Federal program which supports comprehensive planning assistance and that such assistance has played a vital role in the State and local decisionmaking for 25 years. These additional funds should help the Department to focus on such national policy objectives as the elimination of racism and discrimination, the development of efficient land settlement patterns, and the coordination of Federal funds from all sources.

The committee also provided \$3 million for the livable cities program. The administration had requested \$5 million for this program but the House failed to provide any funding. This program represents an important means of involving community-based organizations and the nonprofit sector in stimulating urban revitalization and in complementing our efforts under the community development block grant program and the urban development action grant program. There is no doubt that art projects can be a catalyst for neighborhood revitalization, can build neighborhood and community identity, and expand economic opportunities for low- and moderate-income persons.

The committee also provided an additional \$1.3 million above the House for HUD's research and technology program. With the additional funds provided by the Senate this account is still \$2,700,000 below the administration's budget request. The additional funds provided by the Senate would, however, allow the Department to undertake high priority R. & D. activities which would not have been performed otherwise.

ENVIRONMENTAL PROTECTION AGENCY

The committee provided \$4,668,142,000 for the Environmental Protection Agency. This is \$441,096,000 less than

the budget request and \$46,354,000 greater than the House allowance. For salaries and expenses the committee has recommended an additional \$8,571,000 above the House. Of this amount \$2,571,000 was provided for enforcement actions against uncontrolled hazardous waste sites which pose an imminent hazard to public health or the environment. This item was not considered by the House. The remaining \$6 million restores the cuts made by the House in personnel compensation and benefits. Had these funds not been restored EPA would be forced to reduce their work force by 245 work years. This, in effect, would eliminate the 237 work-year increase which was proposed for all EPA activities. If the House cut was sustained it would have severely curtailed EPA's ability to implement the Toxic Substances Control Act.

In the research and development account the committee has recommended full funding for the EPA's critical anticipatory research program. The House saw fit to reduce this program \$6 million below the budget request. The House reduction, if sustained, would have prevented the start of five institutional centers of excellence, would have slowed the expansion of important research on environmentally caused cancer and acid rain and would have limited support for outside scientists to propose new and innovative approaches to identifying environmental problems and solutions.

Under EPA's abatement, control, and compliance account the Senate has recommended additions of \$39,783,000 above the House. Of this amount, \$19,429,000 and 70 positions was included in a budget amendment not considered by the House. This budget amendment covers the development and implementation of a program to discover, investigate, and take action to correct uncontrolled hazardous waste sites which are substantially endangering public health and the environment. EPA estimates that this budget amendment will enable the agency to discover and preliminarily investigate up to 500 sites and to fully investigate and take enforcement or other remedial action on as many as 70 sites. Currently there is no inventory of abandoned and inactive hazardous waste facilities, and in fact, there is precious little readily available information on past hazardous waste disposal practices. Rough preliminary estimates reveal, however, that there may be 32,000 to 50,000 abandoned and inactive hazardous waste sites, and as many as 2,000 of these sites could pose a significant threat to the public health and welfare. In funding this request, the committee realizes that this is a first phase of an effort in a longer term more intensive program involving hazardous waste sites.

Within the abatement control and compliance account the committee has also included the full \$40 million request for the water quality management program. Under the House cuts of \$10 million some of the agricultural and ground water projects to be undertaken in this program would not be funded. The Department's \$40 million request for this

program was already \$12 million below last year's level of funding. It is quite clear that much needs to be done in this area to prepare local management agencies to adopt management practices suited to specific water quality problems and to develop ordinances and technical information which will sustain legal challenges.

The committee has also restored the \$5.6 million cut by the House for air control grants. The Clean Air Act Amendments of 1977 have increased the responsibility of State and local air control agencies to develop and submit implementation plans to meet ambient air quality standards in nonattainment areas. As a result, almost all States must submit new plans which require extensive State and local agency planning. The preparation of such plans place a substantial drain on State and local resources. It was the committee's belief that failure to restore the House cuts would impede the development or approval of these plans. The committee also restored \$4.4 million for the underground injection control grants program. The committee did not agree with the House action which recommended a cut of almost 60 percent in the \$7.8 million request for this program.

In the construction grants area the committee recommended a funding level of \$3.4 billion. This is \$400 million below the budget request and \$800 million below the 1979 level. Members of the committee expressed concern about the unobligated balances in this account and included language in the committee report noting that legislation is currently being considered which will provide a two-tier system of funding. The report further notes that the committee "would be prepared to look sympathetically on a supplemental appropriation which would be designed to restore full second-tier funding" for those States that have succeeded in obligating their full entitlement of funds under this account. Last year, the President announced a 10-year, \$45 billion program to help clean up our Nation's rivers and streams. There is no question that we have a tremendous task in front of us and it is important that we resolve any difficulties that may exist in the administration and funding of the construction grants program in order that we may move ahead rapidly.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Within the hazard mitigation and disaster assistance account of the Federal Emergency Management Agency, the committee has provided \$6,114,000 and 49 positions for the National Fire Academy. The budget request for the Academy was signed by the President after the House had acted on the bill. The National Fire Academy will conduct courses in fire loss prevention, fire science technology and in other management and technical areas having to do with fire control and loss reduction. Fires in the United States cause almost 9,000 deaths annually and result in property loss of over \$20 billion. I personally look forward to the Academy's leadership in this area to reduce the loss and human suffering associated with fires of all type, whether accidental or deliberate.

NASA

Mr. President, in a recent article by Arthur C. Clarke, the great science writer, entitled "The Best Is Yet To Come," he makes the following profound and thoughtful observations concerning the future of our space program:

We have bequeathed the solar system to our children, not our great-grandchildren, and they will be duly thankful. At the very least, this gift will enable them to look back on such transient crises as energy and material shortages with amused incredulity.

For the resources of the universe that is now opening up are, by all human standards, infinite. There are no limits to growth among the stars. Unfortunately, there is a tragic mismatch between our present needs and our capabilities. The conquest of space will not arrive soon enough to save millions from leading starved and stunted lives.

Thus it is all the more urgent that we exploit to the utmost the marvelous tools that space technology has already given us. Even now, few Americans realize that the skills, materials and instruments their engineers devised on the road to the moon have paid for themselves many times over, both in hard cash and in human welfare.

The NASA budget as presented to Congress was a unique one, but unfortunately its uniqueness was due to the fact that there were no new starts recommended for this vital program. The program can stand this perhaps for 1 year, but I earnestly hope that when we are presented with the budget next year it is not again one which includes no new starts.

Mr. President, I am pleased to note, however, that the recommendations adopted by the committee do include items, which although not new starts, are initiatives which will surely demonstrate the truth of Clarke's statement that "the best is yet to come."

The committee's recommendation for NASA is \$1.5 billion below the budget request, but the committee has recommended some changes in the estimate.

It has included an additional \$4 million for the variable cycle engine program which will allow us to begin the demonstration of the variable cycle propulsion concept, which is extremely important not only for the second generation of supersonic aircraft, but also important to subsonic flight. This particular item, which has been strongly supported by the authorizing committees, is the most advanced aeronautical propulsion system ever worked on.

The committee is recommending an unbudgeted \$2 million for the multi-spectral resources sampler, a pointable remote sensing instrument that will obtain high resolution segments of Earth resources data. We need to initiate this in order to minimize the number of satellites in future systems, and this technology will result in an instrument with less complexity and hence lower cost and higher reliability.

We are recommending \$4 million for the National Oceanic Satellite System (NOSS). This is a follow up to the SEA SAT program. The system is designed to provide ocean condition data on an operational basis, similar to weather data received from the operational weather satellites. NASA will develop the space system and other agencies, mainly

the National Oceanic Atmosphere Administration and the Department of Defense, will provide for the ground system.

The most graphic illustration of the need for the additional \$5 million the committee recommends for advance rotorcraft technology is a graph which appeared in the NASA task force report on advanced rotorcraft technology which shows that through 1976 free world helicopter production was 84 percent U.S. designed, whereas the current forecast of free world helicopter production, 1977 to 1983, shows a U.S. design percentage figure of 62 percent. Unless we do something now the Europeans, who have caught up to us in this technology, will surpass us with an obvious adverse effect on our balance-of-payments, and of course, the jobs involved with the production of helicopters.

Mr. President, the technology NASA has developed over the years, as pointed out in Clarke's article, has greatly affected our daily lives. On a very current topic, energy, the committee has recommended \$2 million for energy technology, identification, and verification. Simply, this money will be used by NASA to identify technology that they have developed which may be applicable to our energy needs.

Mr. President, because we desire to stay within the President's budget these additions are off-set by reductions to programs which will not be harmed by a minor adjustment. I would like to point out at this point, and emphasize, that NASA's budget was severely cut on its trip through the Office of Management and Budget (OMB). OMB cut the overall NASA request by \$208,200,000, including cuts to items added by the committee.

The overall recommendation will provide for the entire request for the shuttle, NASA's major development objective. We are also providing for the continued development of the space telescope, the Galileo mission, and the international solar polar mission.

Mr. President, I would again like to express the hope that future years will be better ones for NASA, and with the 10th anniversary of the Moon walk we will commit ourselves to this program, mainly and especially because of the applications it will have to better our lives on Earth. Let me refer to the account by Armstrong, Aldrin, and Collins on their mission to the Moon when they said:

It may be that the old astrologers had the truth exactly reversed, when they believed that the stars controlled the destinies of men. The time may come when men control the destinies of stars.

NATIONAL SCIENCE FOUNDATION

Mr. President, if ever there was a time to support basic and applied research, such as is done by the National Science Foundation, now is such a time. I think most of my colleagues have heard from groups, both conservative and liberal, about the importance of basic research. This, of course, is the Foundation's mandate and it is estimated that NSF provides approximately 34 percent of all Federal support for basic research going to academic institutions. In some fields it provides the dominant share, such as 69 percent in ground based astronomy,

60 percent in environmental sciences, and over 50 percent in mathematics and engineering.

Mr. President, more and more we are coming to recognize that the path to solving so many of our problems is research, research, research. I am pleased to report that the committee has recommended virtually all of the administration's requests. It did go along with the House by making a minor reduction in the scientific activities overseas, special foreign currency program, but otherwise this bill calls for full funding.

Mr. President, I know that my colleagues are aware of the good and vital work NSF does so I do not think it is necessary at this time to detail those achievements. Suffice it to say that we must continue our efforts in these areas.

NEIGHBORHOOD REINVESTMENT CORPORATION

The committee has also included an additional \$2.5 million over the House allowance for the Neighborhood Reinvestment Corporation. The committee believes that the Corporation's activities in establishing and supporting neighborhood housing services programs and preservation projects has paid significant dividends in the past.

REVENUE SHARING

Mr. President, the committee adopted an amendment which reduces the States allocation of general revenue sharing payments by one-third. The amount of funds involved in this amendment amount to \$684 million. It is my position that this action by the committee was a most unfortunate one and I am prepared to offer an amendment to restore these funds. However, the amendment offered in committee is unquestionably legislation and I will be making a point of order against it on the basis that legislation is not in order on a general appropriations bill. Subsequent to that time I will have more to say about this issue.

VETERANS' ADMINISTRATION

The bill contains \$20,316,624,000 for the various programs of the Veterans' Administration. This is \$70,425,000 above the President's budget request. In the medical care account the committee has recommended concurrence with the House figure of \$5,671,119,000. This amount will provide the funding for an additional 3,800 personnel during fiscal year 1980. At the end of fiscal year 1978 the VA staffing in the medical care area amounted to approximately 185,000 person years. At the end of fiscal year 1979 it is estimated that this will drop to around 181,000. This result is an actual decrease of around 3,700 staff years. The committee's action in providing the 3,800 staff years will serve to offset this reduction. The VA intends to use 1,500 staff years to remedy staffing deficiencies in their field operations, 1,000 staff years to provide additional services where workloads have increased, and 1,300 staff years to support new facilities.

The committee has also provided an additional \$1,823,000 over the House allowance for the vet rep program. The committee believes that the outreach services provided through this program have been particularly useful in inform-

ing veterans as to their eligibility for benefits.

The bill also contains \$75,090,000 for the VA replacement hospital in Baltimore, Md. In its report the committee voices its concern about the future of the Fort Howard medical facility in Baltimore County. The report states "In light of the projected increase in the average age of the veteran population, the committee urges the VA during this interim period to continue to review the needs of the health care delivery system for veterans in the Baltimore area to insure that the VA is appropriately providing for its health care problems with an eye toward keeping the Fort Howard facility open." I believe that in these days of rising costs, and increasing demand for services, it is important that we make full use of existing facilities as a way of meeting our future needs.

Mr. President, I will reserve the remainder of my time.

Mr. PROXMIER. Mr. President, I will reply just very briefly to my good friend from Maryland.

No matter what his arguments may be about how this is a fiscally responsible bill as it comes to the floor, and it is almost precisely on target with the budget resolution, he overlooks the fact that supplementals, which we simply cannot say no to—and I challenge my good friend from Maryland to agree to say he would now oppose—are going to come up, and they are going to raise by \$1.1 billion the amount provided in this appropriation.

The expected requests are for veterans' benefits, for disaster relief and for pay raise costs. They are, as I say, inevitable; they are certain, they are sure, they are going to come, they are going to be affirmed, and the result is we are going to be nearly \$1.1 billion over the budget resolution.

If, on top of that, the amendment which the Senator from Maryland indicates he is going to offer to eliminate our reduction in revenue sharing—this bill contains a \$684 million cut in revenue sharing—is agreed to, then we will be about \$1.7 billion over the mark we promised the country about 2 months ago we would try to adhere to in this one budget.

I think it has been the experience of Members of the Senate that this is typical. I have talked to the Senator from Maine (Mr. MUSKIE) about this, and the Senator from Oklahoma (Mr. BELLMON), and they are extremely concerned. I think most Senators have received a letter from them calling their attention to what is happening here.

I think the Senator from Maryland has made a marvelous argument for the programs funded by this bill. I am enthusiastically with him on this. We would like to be more generous. We would like to go higher if we possibly could. But I think we have to recognize we have a very clear responsibility to this country with respect to inflation. The overwhelming majority of the American people feel, and I think they are right about it, that excessive Federal spending is one important element—not the only one, but one important element—in the

rise in prices, in keeping them as high as they are, and in keeping Government big, burdensome, and often as inefficient as it is.

For that reason, Mr. President, I do hope we will resist any additional burdens that will be imposed, and I hope Senators will do their best to support whatever measures are offered—if there are such measures—to reduce what is in the budget.

Incidentally, I expect to offer an amendment to do that. I am very hopeful that I can win majority support in cutting \$700 million for assisted housing. We were not successful in the committee, and it is going to be an uphill battle on the floor. That is all the more reason why it is very important that we resist the effort to restore the \$684 million the committee cut in revenue sharing.

Mr. President, I reserve the remainder of my time. I think the Senator from Maryland may want to call up his amendment now or take some other action with regard to revenue sharing.

Mr. MATHIAS. Mr. President, first of all let me just say to my chairman and to other Members of the Senate that we are all concerned about the necessity for fiscal restraint. But I think that the distinguished Senator from Wisconsin is stating the case in too stark terms. He says we are below but close to the first concurrent resolution, and he is, of course, absolutely right. We are \$44 million below the first concurrent resolution, which, in dealing with figures of this size, is about as close as you can get to complying with the strictures of the resolution.

But what he does not explain to the Senate is that this is the first concurrent budget resolution. The Budget Committee is pragmatic. It understands that not all of the assumptions it makes when it begins a budget cycle are necessarily going to work out, and in this case, as I have already pointed out, the assumptions did prove to be in error, and therefore, in accordance with the regular practice of the Budget Committee, there will be another concurrent resolution somewhere later in the year, and it will contemplate the very needs which the Senator from Wisconsin has accurately predicted will arise.

I agree with him absolutely that there are going to be some other means which will arise in the general areas that are covered by this legislative bill, and the Budget Committee will assess those needs, and the Senate will then pass upon it, and then we will be at that time under a new legislative mandate to address the provision of the funds to meet those needs.

So while I think it is a prudent thing always to look ahead and see what kind of problems lie down the road, I think you do not want to look so far ahead that we become paralyzed and not be able to deal with the problems that are immediately ahead of us.

We do not want to be like the farmer with the load of hay who saw a bridge way, way down the road that looked so narrow to him that he just stopped the hay wagon then and there because he was sure he could never get that big

wagon through that narrow bridge. Had he gotten up to where he saw it in close view, instead of in distant perspective, he would have seen there was plenty of room on that bridge for two or three hay wagons to pass without any difficulty.

I think that is the kind of trap that we want to avoid here today. Let us deal with the problems that are before us now. And there are real problems. The cities of America are, I think, making gallant and a valiant effort to revitalize middle America. Certainly I am extremely proud of what the city of Baltimore has done, and largely on its own initiative. The ideas and the creativity have come largely from within the city. The mayor of Baltimore, Bill Schaefer, has been largely the sparkplug for that revitalization of Baltimore.

But I say to you, Mr. President, the cities of America cannot do it alone. They have to provide their own initiative, vitality, and creativity, but they need the Federal Government to help bring those ideas to realization, to make it work.

That is all I am suggesting we should be doing in this bill: providing that absolutely vital element of help to make it work, so that the cities can do what they need to do for themselves.

Mr. PROXMIER. Mr. President, if the Senator will yield, I would like to call to the attention of the Senator from Maryland and other Senators the results we have had with the fantastic increase we have provided in funds for our cities.

In the last 20 years, the Federal Government has increased the amount of spending in cities from \$2 billion a year to \$85 billion a year. A Brookings Institution study indicates that back in 1957, the Federal Government contributed \$1 for every \$100 the cities raised themselves from property taxes and other revenues. Today the Federal Government contributes almost as much as the cities raise themselves.

The Senator might ask, "Well, what is wrong with that, if our cities are doing well?"

A study by Dr. Richard Nathan of the Brookings Institution indicated, just about 6 weeks ago, that on the basis of three objective criteria, jobs, housing, and the cost of living, the cities are doing worse.

Of course, that is not universally true. The Sun Belt cities, such as Houston and some others in the southern part of our country, may be doing a little bit better; but the overwhelming majority of the cities, including the cities of the Northeast, the Midwest, and elsewhere, are doing a good deal worse.

We are not solving this problem by just throwing more and more money at the cities. Some people may argue that the cities would have been doing even worse if we had not spent the money. I am not sure that is true. But we should be very hesitant about continuing or increasing the community support programs funded through this bill. I am not going to offer an amendment to change the UDAG figure. Perhaps other Senators will. But this bill, as I have pointed out, provides a 70-percent increase in 1 year for UDAG, from \$400 million to \$625 million.

We are 70 percent over the House in the UDAG program. That is a mammoth increase in spending for our cities in that particular area. I think we ought to put in perspective this notion that we are going ahead with a simpatico program that is going to be of help. The program has hurt the taxpayers and increased inflation, but it has not done very much for our cities. It is not working.

We need some hard, thoughtful, intelligent programs that do not cost so much, necessarily, but will do the job. If we simply move ahead as we have in the past, and give more and more money to these programs that are not working, it seems to me we are not performing as we should.

If the Senator wants to offer an amendment to actually raise the huge amount we are spending in our cities, I will be interested in hearing his proposal. I assume that is the first amendment we will have up.

Mr. MATHIAS. Before we get to that, the Senator has quoted Dr. Richard Nathan. He is a very persuasive witness, in my book; I have known him for many years, and I have high regard for his knowledge. I do not think I would have any quarrel with his conclusions, because it is obvious that cities in many parts of the country are in trouble.

Again I would like to point to the example of Baltimore, where we have had a maximum of local initiatives with Federal assistance, which is working out in a very successful way. Not everything is perfect by a long shot, but there is a remarkable movement in Baltimore; and I will take this opportunity to invite the Senator from Wisconsin to come to Baltimore with me, and we will take a look at some of those projects. I would remind the Senator that Baltimore is the gastronomic capital of the Union; we will have dinner, we will have Chesapeake Bay seafood, and the Senator will see, I think, that there is a good urban atmosphere developing in the city of Baltimore, which is the thing that has been missing in American cities for so many years.

But why has it been missing? Consider the magnitude of the problem that the cities of America have faced. There has been a migration in this country of between 20 million and 30 million agrarian workers, who have come to the cities of the North. This is one of the greatest migrations of human beings in the history of the human race.

There has been very little written about it; oh, there have been some stories about the "chicken bone special" which runs on a regular run from the South to the cities of the North, but we have had one history. Twenty million to 30 million of the greatest human migrations in history. Twenty million to 30 million people who, over a relatively short span of time, have moved from the agrarian South into the urban North, and this has presented the cities of this country with social and economic strains that were incredible. I think, as historians look back on this period of American history, they are going to wonder that the cities did as well as they did. It has been an extraordinary kind of scene.

So I think this is not the time to cut

back on our support for cities, but rather to encourage them to go forward.

The Senator has raised the question of UDAG. I think it is an interesting case study in exactly the sort of thing we are talking about. If you put in \$275 million for the urban development action grants program, you get a very different kind of result because the leverage in UDAG is about 6 to 1. For an investment of \$125 million, we could get 75 additional projects, but for \$275 million we get 175.

What does that mean in terms of stimulation of the economy? For \$125 million, we would provide leverage of \$775 million in private investment, but for the larger sum we would get \$1.7 billion in private investment. That would mean if we provide the full request of \$275 million over the House amount we would create about 50,000 additional jobs, produce over 17,000 new or rehabilitated housing units. This is the very kind of encouragement that the cities need in terms of private investment. This is what I think we should provide for in the appropriations process.

Mr. President, I make the point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Who yields time to the Senator?

Mr. PROXMIER. How much time does the Senator wish?

Mr. MOYNIHAN. Ten minutes will be more than enough.

Mr. PROXMIER. I yield 10 minutes. I am sure the Senator will support my position. I yield 10 minutes to the Senator from New York.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized for 10 minutes.

Mr. MOYNIHAN. I thank the Chair and I thank our distinguished chairman, who has been such a good friend of my city of New York and of cities throughout this Nation.

I rise to suggest that 10 minutes is more than sufficient for the purpose that I require, which is to say that I will be supporting the amendment restoring revenue sharing funds which our friend, the distinguished senior Senator from Maryland, has submitted on behalf of a group of us.

I would like to make a simple point, which is that one of the things which we do not do well in our country, at least in some respects, at this level of Government, is staying with an adopted policy.

A most recent example of this kind of almost fecklessness is that we have no more than resolved that we will reduce the Federal deficit to a manageable or nonexistent level over a period of 2½ years and that we will restrain new initiatives, but suddenly we hear talk of a tax cut coming from both sides of the aisle.

Another thing we do not do well in when we experiment, as we frequently do, and we have been experimenting for most of American politics, we have great difficulty undoing or discarding, or ac-

cepting, experiments that do not succeed and letting them go.

Mr. MATHIAS. Will the Senator yield at that point?

Mr. MOYNIHAN. I yield.

Mr. MATHIAS. I think that is an extremely important point.

If a great corporation tries a new product line and it fails, the public does not buy it, it does not make economic sense, it is just written off in a quarterly report as a line that did not sell and there is no big deal about it. They say, "We are sorry, the dividend is off a few pennies this quarter but we are going to do other research, we are going to go on with other things." Nobody gets terribly excited about that. It is done by General Motors, General Electric, and Westinghouse. Why is there reason to believe that the Government, which is not any more immune from making error than the corporate world, will not also have this kind of experiment failure?

Mr. MOYNIHAN. There is no reason at all, and it does. The great problem in Government is that experiments, once begun, tend to perpetuate interests which far exceed what they should be. A good example is the flood plain management of the Federal Government. It has been disastrous for several years, but it seems likely to go on for a full century of calamity. But the most bizarre thing is that when we do come upon a program that does work and works very well, some almost perverse instinct tells us this is the place to cut whenever the mood is upon us to reduce expenditures.

One of the reasons revenue sharing is under attack is that it works. It is not attacked, *per se*, because it works, but, rather, because it works, it is attackable. Let me explain this in a simple irony. Revenue sharing is simple, it is easy to understand, its benefits are conspicuous and direct, and it has created no bureaucracy. There is no bureau of revenue sharing. It is very small. It takes up about 5 percent of the time of an Assistant Secretary of the Treasury, who does it beautifully.

It has not created a large Federal establishment. One more harmonious fact: Because it was done for the precise reason that we did not want more large Federal establishments to transfer resources, it is widely accepted. It is beautifully efficient, and, therefore, it is attackable, unlike those endless prehistoric bureaucracies that inhabit the stygian glooms of the lower reaches of our departments like some still persisting paleolithic organism.

Remember why we developed revenue sharing. There were two reasons: One, we found that it was the nature of the Federal fisc and the progressivity of the income tax that for every 1-percent increase in GNP the Federal revenues increased by about 1½ percent. That 1-percent increase in GNP generates about a 1-percent increase in demand for government around the country, 1 percent more cars meaning 1 percent more roads, that kind of thing. But the revenues of local governments and State governments often fare at no more than unity and sometimes fare at less than unity. So as success drew power to Washington the Federal system was getting out of balance by virtue of its very success.

So we hit upon revenue sharing as a means for returning some measure of it. It has been successful. It ought not to be held against this measure that it has been successful. It will be held against us, if we should now, in a wholly inappropriate way, decide to discontinue or cut this program. We are not going to discontinue it.

I would remind my friend, the Senator from Wisconsin, that any number of State legislatures have already closed out the year and have gone home, and they have put in their budgets money that was expected under revenue sharing. It attains a condition of entitlement that the State and local governments know is coming to them. If it turns out to be a sum in response to whatever erratic enthusiasm seizes the Appropriations Committee, we will have spoiled one of the finest instruments ever sustaining federalism that was achieved during this decade. We do not have that much to show for the 1970's. For heaven's sake, let us not wreck one of the really fine pieces of intergovernmental exchange machinery which we have created. It seems to me to be an important point.

Mr. President, I am pleased to join Senator MATHIAS in the sponsoring of the amendment to restore the full funding of general revenue sharing to the States. I believe the action taken in the Appropriations Committee to be hasty and untimely. Hasty because the Senate Finance Committee, which has jurisdiction over the authorizing legislation, has not held hearings on this matter. These hearings are to be held in 1980, when the current authorizing legislation for all revenue sharing, not just States' share, expires. At that time, the entire program should be evaluated.

The action is also untimely, because we will be indiscriminately reducing payments to the States just at a time when the economy is heading toward a recession. It is well known that because of their dependence on sales and real estate taxes, States, and localities suffer more during recessions. Indeed, many of our cities have not yet recovered from the last recession, and look to both the State and Federal Government for assistance in maintenance of essential services. In recognition of this, just this week the Finance Committee reported out a bill establishing a standby countercyclical revenue sharing program to provide States and cities with additional funds when the recession occurs. In taking this action, the Appropriations Committee will have undone the actions of the Finance Committee, leaving many areas little or no better off than they were.

The justification for the committee's action is the tax reductions enacted in 19 States since January 1978, and the budget surpluses that some States are alleged to have. However, for many States, including my own, whose tax rates are among the highest in the Nation and which rates inhibit local economic growth and development, such tax cuts were long overdue. A tax foundation study notes that State and local income tax collections rose 59 percent between 1971 and 1976.

Further, although the Federal income tax bite has remained relatively constant over the last two decades, State and local income taxes measured as a percentage of personal income has tripled. Concurrently, the States have become more dependent on revenue sharing. The States got 23 percent of their general revenues from the Federal Government prior to the enactment of general revenue sharing. By 1976, this figure was up to 28 percent. It is logical to conclude that without this revenue sharing, there would have been even further increases in State income taxes.

The committee report also suggests that States are awash with billions of surpluses while the Federal Government is impoverished. This is a myth that would make CPA's shudder. At least part of this surplus arises from differences in bookkeeping methods. Many States are constitutionally required to maintain a balanced budget in their general funds. Hence, surpluses in these funds are a common phenomenon. At the end of its 1978 fiscal year even New York had a surplus of \$5 million in this fund. However, the States also have capital funds, where all their debt is reflected. The debt does not count as an offset to the surplus that these States show. For New York, this was \$4 billion. How much would our Federal deficit be reduced, if not eliminated, if its accounting method paralleled that of the States—if debt incurred to finance Federal buildings and highways, for tanks and destroyers, for planes and missiles, were not counted in our deficit.

All of this was confirmed by a January 1979 study of the Joint Economic Committee which concluded:

The surplus that now exists in State and local budgets is not all it's cracked up to be, once appropriate adjustments are made in the data, and even then it is probably a transitory phenomenon . . . the surplus always seems to bounce around in the short run. It may rise today, but it seems likely to fall tomorrow. This is another reason for not altering policy judgments of underlying fiscal or economic needs because of short-term bulges in the surplus.

Mr. President, I urge us for once not to act precipitously in these matters and to defer any decisions until the matter can be fully explored.

I thank my friend from Wisconsin for his close attention. He knows that we are right in principle. I hope he can be persuaded to follow us in practice.

The PRESIDING OFFICER (Mr. Ford). The Senator from Maryland.

Mr. MATHIAS. Mr. President, following the eloquent remarks of the distinguished Senator from New York, I think it is appropriate to put to the Senate the issue that he has been illuminating. That is the question of the level of revenue sharing. This is a critical question for Governors, for State governments, for people all over the country. It is a critical question because there has been a certain degree of reliance upon the levels of revenue sharing. To alter those levels at this point would be to shake confidence in the whole system of revenue sharing and in the philosophy which induced us originally to create the system of revenue sharing.

I know it can be said, and I predict

that my friend from Wisconsin will say it, that the Federal Government is running a deficit and that the State governments are running in the black, and, therefore, they ought to be helping us rather than the Federal Government helping them, I think you have to be very, very careful about that argument, because that can be an apples-and-oranges comparison. The method of accounting can make a very great difference as to whether they use red ink or black ink.

The Federal Government, prudently, discounts its capital investments in preparing its annual fiscal reports. The enormous public works projects, of enormous value, incalculable value, acquired every year by the Federal Government do not show up as revenues or as increases in our revenues. Yet practically every State in the Union—I cannot testify to every one of the 50, but I understand it is common State practice to include the capital side of the account in calculating whether there is or is not a State deficit.

If the States were to operate on the Federal principle or if the Federal Government were to operate on the State principle, I think we might find a very different view of what the real fiscal situation of the country is. So I do not think we can say, just blithely, that there is no need for revenue sharing in the States.

But even if that argument would hold water, to suddenly and drastically reduce revenue sharing would be, a breach of faith with the people of the country who have been led to expect this as an on-going program.

That does not mean we cannot change it. It does not mean it cannot be cut off totally some day if conditions require that it be cut off. But it should not be cut off at a point of time when there is not adequate lead in which local and State governments can prepare themselves for other means of financing the vital services of government.

We have two means of approaching this problem, Mr. President. One is by way of an amendment, which Mr. BAKER, Mr. MOYNIHAN, Mr. RIEGLE, Mr. BRADLEY, Mr. JAVITS, Mr. PERCY, Mr. McCLEURE, Mr. GARN, and Mr. HAYAKAWA have all indicated they are anxious to cosponsor. However, it occurs to me that there is another way to approach it, which is preferable, from a parliamentary point of view. That is to note that the language by which the Senator from Wisconsin would reduce revenue sharing is subject to a point of order.

I think we should address ourselves to that point of order and by supporting the point of order, by opposing any question of germaneness which the Senator from Wisconsin may raise, we shall negate his reduction of revenue sharing and we shall restore the sum of \$684,000,000 to the revenue sharing fund, a sum which is vital to the operation of the States of the Union.

Does the Senator from Kentucky wish some time?

Mr. PROXMIRE. Mr. President, I

yield 1 minute to the Senator from Kentucky.

Mr. FORD. Mr. President, I am compelled to ask for a minute to express my strong support for the amendment which restores the \$684 million which the Senate Appropriations Committee cut from the general revenue-sharing allotment to the States. I join my distinguished colleague from New York when he says we always want to cut from the projects that are working and continue those which are not. I say that this is one that I believe is working. I support his remarks.

I certainly can appreciate the rationale behind the recommendation for this spending reduction, because there is not a Member of this body who is not attuned to the demand for fiscal responsibility in the expenditure of Federal tax dollars.

Time and time again, I have joined in supporting proposals that would help us accomplish that goal. But, Mr. President, this time I cannot go along because this is one of the few Federal programs that I can confidently say is working and fulfilling the expectations of those who created it.

As Governor of Kentucky from 1971-74, I saw how this program, through both the local and State allotments, filled many vital needs in community after community across my State. There are several other former Governors in this Chamber today—and they know as I do that the Federal revenue sharing program works because it shifts the decisionmaking process back to the local level where it should be. These are the people closest to the situation. They know what their community goals and needs are—and they do not need Washington stepping in and pulling rank.

The general revenue sharing program is one program where the average citizen feels that he is receiving a good return on his Federal tax dollars. Here we have a program with no Federal strings attached and no Federal bureaucracy with which to deal.

This program has been immensely successful and I, for one, do not want to see it weakened. Even in the midst of this so-called austerity movement, I continue to support the general revenue sharing program because I believe in the concept on which it is based.

Instead of aiming our budget-cutting scissors at those programs which are productive and worthwhile, we should be paring those many other programs which have been shown to be riddled with fraud, mismanagement, and waste.

Shortsighted budget cuts are not the answer to our fiscal dilemma. Too many good programs—like Federal revenue sharing—will suffer irreparable harm.

Finally, Mr. President, let me say that approval of this amendment will not mean an increase above the fiscal year 1979 appropriations. Approval of this amendment simply will mean that the program will continue to be funded at current levels, in concurrence with the House of Representatives as well as the administration.

I urge that my colleagues show their

support for the Federal revenue sharing program by casting their vote in favor of this amendment.

Mr. MATHIAS. Mr. President, I thank the Senator from Kentucky for his support, which has extra force, because of his experience as Governor of Kentucky.

Mr. PROXMIRE. Mr. President, I know Senator MUSKIE and Senator RIEGLE both would like to speak as soon as they can.

Mr. MATHIAS. And Senator BAKER.

Mr. PROXMIRE. They all have demands on their time. And Senator BENTSEN wishes to speak, too. Could the Senators indicate how much time they want so we can make it as convenient as possible?

Mr. RIEGLE. Seven minutes in my case.

Mr. MUSKIE. I think I can perhaps do mine in 7 minutes or less. This is an opening statement designed to put this bill into context with the budget resolution. I think that, given the nature of that relationship—

Mr. PROXMIRE. Will the Senator from Michigan permit the Senator from Maine to go ahead, because I think his comments relate to the overall bill, not to this specific amendment.

Mr. RIEGLE. Yes; I think it makes good sense for him to go ahead.

Mr. PROXMIRE. I yield whatever time he may require to the Senator from Maine.

Mr. MUSKIE. Mr. President, I thank the distinguished floor manager of the bill and also Senator RIEGLE for their understanding. Senator RIEGLE is, of course, a member of the Budget Committee and Senator PROXMIRE has been very supportive of the objectives of the budget process.

Mr. President, the bill as reported by the Appropriations Committee provides \$71.2 billion in new budget authority. Outlays associated with the bill total \$48.1 billion.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays allocated to the committee under the first budget resolution for fiscal year 1980. The Appropriations Committee has allocated \$71.4 billion in budget authority and \$48.5 billion in outlays to the HUD-Independent Agencies Subcommittee.

The funds provided by H.R. 4394, plus other action completed or underway, put the subcommittee \$0.2 billion under its section 302(b) budget authority allocation and \$0.4 billion under its outlay allocation. However, possible later requirements which can be anticipated, could boost the subcommittee above its 302(b) allocation by \$0.9 billion in budget authority and \$0.6 billion in outlays. This outcome would seriously threaten the targets in the first budget resolution.

Mr. President, I ask unanimous consent that a table showing the relationship of this bill and possible later requirements be printed in the *Record* at this point.

There being no objection, the table was ordered to be printed in the *Record* as follows:

H.R. 4394, HUD/INDEPENDENT AGENCIES APPROPRIATIONS BILL—RELATIONSHIP TO SUBCOMMITTEE ALLOCATION

(In billions of dollars)

	Budget authority	Outlays
Subcommittee sec. 302(b) allocation.....	71.4	48.5
Action completed or underway.....		17.6
H.R. 4394.....	71.2	30.5
Amount over (+) or under (-) subcommittee allocation.....	- .2	- .4
Possible later requirements:		
Function 450: Disaster relief.....	.2	.1
Function 700: Veterans compensation cost-of-living increase.....	.7	0 .7
Unallocated: October 1979 pay raises.....	.2	.2
Total, possible later requirements.....	+1.1	+1.0
Possible amount over (+) or under (-) subcommittee allocation.....	.9	.6

(Mr. FORD assumed the chair.)

Mr. MUSKIE. The details are spelled out in that table, Mr. President, and I shall be glad to go over them specifically, if Members wish.

Because of the potential threat of this bill to the budget targets, I must oppose it as reported by the Appropriations Committee. I will vote for it only if amendments are adopted by the Senate which reduce the bill's cost enough to eliminate the subcommittee's potential overage.

I understand that the distinguished floor manager of this bill (Mr. PROXMIER) will sponsor an amendment to reduce the funding for assisted housing by \$0.7 billion—to the level assumed in the first budget resolution.

While this amendment will not completely eliminate the HUD Subcommittee's potential budget overage, it will substantially reduce it. Therefore, I support this amendment and urge all Senators to do the same.

Furthermore, Mr. President, I urge Senators to join me in opposing any amendments to increase funding for any program in this bill unless such amendments include compensating reductions in other programs.

The likelihood that the HUD/Independent Agencies Subcommittee will exceed its section 302(b) allocation leads me to point out, as I have in connection with previous appropriations bills, that we now have several appropriations subcommittees that are likely to exceed their 302(b) allocations.

Further, it is likely that other subcommittees will exceed their allocations. And it appears very unlikely that the remaining subcommittees will have sufficient surpluses within their 302(b) allocations to compensate for these excesses.

It now appears that the Appropriations Committee may exceed the amount allocated to it in the first budget resolution by \$6 billion in budget authority and almost \$5 billion in outlays when all the regular appropriations bills and the fiscal year 1980 supplemental requirements are taken into account. As a result of these appropriations excesses, the fiscal year 1980 deficit may increase by almost \$3 billion.

I recognize that this situation is to a large degree caused by the failure of other committees to realize savings assumed in the first budget resolution.

For example, \$0.2 billion of the potential HUD Subcommittee overage is due to the failure of the Veterans Affairs Committee to report legislation reforming veterans entitlement programs. The first budget resolution assumed savings of this magnitude from such legislation.

As a result, the Appropriations Committee must provide \$0.2 billion in funding that was not included in its crosswalk under the first budget resolution.

Mr. President, I have sent letters to other committees reminding them of their responsibility to report legislation reducing the cost of programs in their jurisdiction.

However, the Appropriations Committee cannot be held harmless for the failure of authorizing committees to achieve savings in entitlement programs.

I can understand the reluctance of the Appropriations Committee to act as the fall guy when other committees do not do the job called for by the budget resolution. But the Appropriations Committee alone has the power to do the job shirked by other committees.

For example, if the budget resolution calls for savings in an entitlement program which are not reported by the authorizing committee, the Appropriations Committee has two choices.

First, it can find compensating reductions in more directly controllable programs by including legislative language in appropriation bills.

The committee took this latter course of action in this bill in reducing the cost of the general revenue sharing program. While I generally oppose such action because it invades the prerogatives of authorizing committees, I regretfully come to the conclusion that no other course of action is available if authorizing committees refuse to carry out their responsibilities to enforce the Congressional Budget.

Mr. President, I wish to point out that two programs which I sponsored and I have strongly supported over the years would be funded in this bill at levels which I consider unduly low.

The first of these programs is the general revenue sharing program, which the full committee cut by \$0.7 billion. In my mind such a reduction amounts to reneging on a Federal commitment to the States.

The second program is the EPA wastewater treatment construction grant program. This bill funds this program at a level \$0.4 billion less than was requested by the President and assumed in the first budget resolution, and \$1.6 billion less than the estimated need when we last reauthorized the program in 1978. This level of funding could seriously slow our national commitment to clean up our Nation's waterways.

However, Mr. President, my strong concern over the proposed appropriation level in this bill for these programs is offset by my even stronger concern over the tight budgetary situation in which the Congress finds itself. While I regret that important and needed programs such as State revenue sharing and wastewater treatment plants should fall victim to spending excesses elsewhere in the budget, I will not attempt to add to the

already too high fiscal year 1980 budget deficit by proposing an amendment to increase the funding for these programs.

As I have said time and time again, bringing Federal spending under control and balancing the Federal budget will not be easy. It is not simply a matter of cutting out a few programs that are clearly unnecessary or wasteful.

It means making deep and painful sacrifices in each and every area of Federal activity. Each of us here must accept such sacrifices in programs which we hold dear and dear, or we will never get this budget under control.

One closing observation, Mr. President. Next week the Budget Committee begins markup of the second budget resolution. CBO's estimates indicate already that budget authority will be \$9 billion in excess of the first budget resolution, not counting these excesses which I have been talking about here this morning.

It looks as though the deficits of the second budget resolution will approach \$35 billion to \$40 billion. The Senate will remember that after the conference on the first budget resolution we had reduced the deficit to \$23 billion. We are unlikely to be able to reduce the deficit to a figure below that of 1979, the way we are going, and the way the economy is headed.

So, Mr. President, I want Senators to understand, they may challenge my numbers, they may challenge the assumptions, they may disagree with my conclusions, but I would find myself remiss if I waited until after the fact, after markup of the second budget resolution, to inform the Senate our deficit had climbed \$10 billion to \$12 billion.

Mr. President, I think the Senate would find that unacceptable. I think they would hold me responsible for not warning them in advance.

This constitutes such a warning, and if it means I must sacrifice my vote on two programs to which I have made a deep commitment over many years, so be it.

I must not only warn the Senate, but I must also set an example. I am going to do my best in the consideration of this bill before us today.

What I have had to say is not denigration of the position of Senator PROXMIER. He is as unhappy with aspects of this pending bill as I am, I take it, and he is going to offer an amendment to reduce the housing by \$700 million. That is an expression of his concern which parallels mine.

I simply want to indicate my support for that amendment and my effort, wherever my vote can make a difference, to hold down any increases in the present bill and to support decreases.

Mr. PROXMIER. Will the Senator yield?

Mr. MUSKIE. Yes.

Mr. PROXMIER. Mr. President, I warmly commend the Senator from Maine for doing what he has done so often. I hope and pray what he is saying will be heeded by Members of the Senate.

What he is telling us, as I understand it, is that unless we hold down spending in this bill, unless we find ways to reduce it, in fact, we are going to be about a

billion dollars over the budget resolution which we passed only a couple of months ago.

Furthermore, that means we are going to deepen the deficit for the coming year. That means, far from being in any position to balance the budget or fight inflation by holding down spending, we will feed the fires of inflation, contradicting what we have done.

It is very painful, as the Senator points out, to make these reductions. All of us favor the programs in this bill. But I think what the Senator from Maine is telling us is right on target.

I hope Members recognize that however important it is for us to provide assistance for our cities, assistance for States and localities, and so forth, that our No. 1 priority is to find a way of fighting inflation, of holding down spending reasonably, and coming in with a fiscally responsible bill.

Nobody in the Senate, nobody in my knowledge, certainly, in the recent history of the Senate, has contributed more to this debate in a responsible way than the Senator from Maine. I think we are all in his debt for the statement he has just made.

Mr. MUSKIE. I thank my good friend from Wisconsin.

Mr. MATHIAS. Mr. President, I yield 5 minutes to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator.

Mr. President, I strongly support this amendment to restore full funding to the general revenue sharing program.

The bill now before the Senate would provide \$684 million less than State governments are entitled to under the Intergovernmental Fiscal Assistance Act of 1976. That would mean that the general revenue sharing grant going to each State would be cut by one-third.

That cut was not proposed by the administration. It was not assumed in the first budget resolution that passed the Senate, and is not required by the first resolution conference agreement.

This cut was not approved by the House. It was not recommended by the Senate Appropriations Subcommittee, and it should be rejected today by the full Senate.

Mr. President, the Senate in recent months has been made very aware of the need to hold down Federal spending. Inflation remains a dangerous problem. It is important that Congress help cool inflationary expectations by showing a steady, long-term commitment to reduce waste and restrain spending. But we send out the wrong signals when we reduce the Federal deficit with rash, unexpected spending cuts that pass off the problem to others.

Mr. President, it is clear to everyone that the general revenue sharing program presents a very tempting target. At \$6.9 billion, it is a big chunk of the Federal budget. Many in Congress have opposed it because it is "no strings" assistance. Many of our colleagues in Congress also resent the fact that some State and local officials have made cheap shot attacks on Federal deficits while their own budgets are balanced by the Federal grants they receive and by the

way they keep their books. But this cut is an unjustified and gratuitous slap at State governments. The arguments for making this cut at this time are not sound.

First, Mr. President, it has been argued that the cut is necessary to remain within the first budget resolution targets. I would remind my colleagues that during the first resolution markup the Senate Budget Committee considered the possibility of a cut in the State share of general revenue sharing. The Budget Committee and then the full Senate adopted targets for function 850, mission 1 that would accommodate full funding of general revenue sharing. The House cut \$2.3 billion from that mission, largely as a reaction to the move for a balance-the-budget amendment to the Constitution. The conference agreement essentially dropped the House position but assumed a \$0.4 billion reduction in general revenue sharing.

Everyone was aware, Mr. President, that such savings were unlikely and could only be realized if the Finance Committee began to review and amend the Intergovernmental Fiscal Assistance Act this year, rather than when the law is due for reauthorization in the next session of Congress. The Finance Committee has not recommended amendments to this entitlement legislation. The impact of this cut has not been properly considered.

Moreover, as has been explained repeatedly in this Chamber, the budget resolution does not include line item decisions. The Appropriations Committee is already straining its first budget resolution allocation.

There are also possible later requirements that could cause the first resolution targets to be breached. But the first resolution does not require any specific cut. In fact we have a second resolution precisely because the Congress has a need to take a second look and consider these later requirements in light of later developments. The Budget Committee will begin to take that second look only 3 days from now.

This cut, therefore, is not required by the first budget resolution.

Second, Mr. President, it has been argued that this cut would give State government advance notice that they should not routinely build revenue sharing funds into their budgets beyond fiscal year 1980. However, the timing could hardly be worse for such a signal.

The cut is too early. We do not yet know how Congress will act on the reauthorization of general revenue sharing. Current law could be changed in many different ways. I, as one Senator, would prefer to have the fiscal assistance targeted better where it is needed. The program could be expanded, it could be reduced.

Hearings and debate on the reauthorization will properly give State and local budget officials advance notice of likely changes.

But this cut is also too late. By the middle of next week, 43 State legislatures will already have adjourned. Most State budgets have already been de-

veloped and enacted. A \$684 million reduction in general revenue sharing funds would throw many State budgets into a deficit. That is not permitted by the States' constitutions.

I know that my own State of Michigan has built a carefully balanced budget that reflects months of planning and debate. The bill now before us would remove \$32 million in revenues from that budget. Provisions of the State constitution would prevent those amounts from being raised elsewhere and would cause other imbalances in the budget. Program management would be disrupted.

It is clear that many other States would be forced into similar problems.

I believe it would be particularly unwise for Congress to make this cut now that evidence of a recession is beginning to emerge. State and local officials are increasingly concerned that revenues may fall below and expenditures may rise above projected levels. A large unexpected cut in general revenue sharing could trigger hasty decisions throughout the State and local sector that would complicate the efforts of Congress to maintain a measured, moderate Federal response to the recession.

Third, Mr. President, it has been argued that large surpluses in the State and local sector of the National Income and Product Accounts indicate that State governments can easily sustain an across-the-board cut in their general revenue sharing receipts. That argument could hardly be more misleading.

It is misleading because the State and local sector does not now have a large surplus. After social insurance funds are excluded, the fiscal position of State and local governments did swing from a deficit of almost \$8.3 billion in the first quarter of 1975 up to a surplus of about \$15.8 billion in the fourth quarter of 1976. The Bureau of Economic Analysis estimates:

State and local governments will remain in surplus on the NIPA basis, but only because of the surpluses generated by the social insurance funds. The all-other-funds measure, which probably recorded a small deficit in the fourth quarter of 1978, will record a larger deficit in the first quarter of 1979, and remain in deficit throughout the year.

The argument is misleading because the NIA accounts cannot be used as a measure of State government fiscal health. The NIA accounts are based largely not on reports from individual governments, but on statistical projections of national data. Much of the base data is 2 to 3 years old, and NIA estimates must often be revised substantially as more reliable data becomes available. Initial estimates of State and local purchases in calendar 1975 were almost \$8 billion too low.

A surplus of other funds in the NIA State and local government sector does not necessarily indicate that these governments have excess resources. The NIA differ from operating budgets in important ways. Even a financially distressed government can show a surplus calculated on an NIA basis.

It increases its surplus when it makes

sharp cuts in construction because of a reaction to the coming recession, adverse bond markets voter resistance to bond referenda.

A distressed government increases its surplus when it tries to repay previously heavy borrowing or tries to return to return to prudent levels of financial reserves. These are priority uses of funds by governments in anticipation of a re-

cession or inflation although they are not counted as expenditures in the NIA.

A distressed government also increases its NIA surplus when it makes cuts in services and increases in tax rates. During the recession some of the most hard-pressed governments were forced to take measures that improve their 1976 and 1977 finances but may be damaging in the long run.

Finally, the argument is misleading because there are sharp differences in the fiscal health of States. I ask unanimous consent to have printed in the RECORD at this point a table that shows the fiscal year 1979 operating funds for each of the 50 States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

STATE GENERAL OPERATING FUND RESOURCES, EXPENDITURES AND BALANCES, FISCAL YEAR 1978

(Dollar amounts in millions)

State	1978 resources (including 1977 balances forward)	1978 actual expenditures	1978 actual balance ¹	1978 actual operating balance as percentage of 1978 expenditures	State	1978 resources (including 1977 balances forward)	1978 actual expenditures	1978 actual balance ¹	1978 actual operating balance as percentage of 1978 expenditures
Alabama.....	\$1,354.6	\$1,269.4	\$85.2	6.7	Nebraska.....	\$512.1	\$482.2	\$29.9	6.2
Alaska.....	1,767.0	1,115.9	651.1	58.4	Nevada ²				
Arizona.....	1,063.0	1,030.7	32.3	3.1	New Hampshire.....	236.0	212.0	24.0	11.3
Arkansas.....	690.2	690.2	0	0	New Jersey.....	4,128.8	3,859.0	269.8	7.0
California.....	15,561.1	11,875.0	3,686.1	31.0	New Mexico.....	687.0	608.2	78.8	13.0
Colorado.....	1,106.0	1,002.0	104.0	10.3	New York.....	11,182.1	11,176.9	5.2	.1
Connecticut.....	2,011.5	1,917.8	93.7	4.9	North Carolina.....	2,347.4	2,162.5	184.9	8.5
Delaware.....	521.0	495.6	25.4	5.1	North Dakota ²				
Florida.....	2,969.9	2,849.8	120.1	4.2	Ohio.....	4,367.0	4,232.5	134.5	3.2
Georgia.....	2,399.8	2,262.9	136.9	6.0	Oklahoma.....	747.2	674.6	72.6	10.8
Hawaii.....	864.9	862.5	2.4	.3	Oregon.....	1,250.6	1,035.8	214.8	20.7
Idaho.....	291.0	291.0	0	0	Pennsylvania.....	5,330.0	5,368.0	(-38.0)	(-.1)
Illinois.....	6,395.0	6,309.0	86.0	1.3	Rhode Island.....	587.1	566.4	20.7	3.7
Indiana.....	1,769.2	1,550.8	218.4	1.4	South Carolina.....	1,271.9	1,229.6	52.3	4.3
Iowa.....	1,483.6	1,381.1	102.5	7.4	South Dakota.....	189.8	180.4	9.4	5.2
Kansas.....	995.8	840.9	154.9	18.4	Tennessee.....	2,179.5	2,178.9	.6	0
Kentucky.....	1,583.9	1,496.3	87.6	5.8	Texas.....	4,020.0	3,344.1	675.9	20.2
Louisiana.....	3,729.1	3,667.6	61.5	1.6	Utah.....	567.3	545.8	21.5	4.1
Maine.....	451.4	416.2	35.2	8.4	Vermont.....	203.9	198.9	5.0	2.5
Maryland.....	2,193.8	2,008.6	185.2	9.2	Virginia.....	2,101.6	2,061.9	39.7	1.9
Massachusetts.....	4,194.0	3,974.6	219.4	5.5	Washington.....	2,753.1	2,488.4	264.7	10.6
Michigan.....	3,894.1	3,871.8	22.3	.6	West Virginia.....	949.2	896.1	53.1	5.9
Minnesota.....	2,867.0	2,841.0	26.0	1.0	Wisconsin.....	4,358.3	3,998.3	360.0	9.0
Mississippi.....	865.6	761.6	104.0	13.7	Wyoming.....	197.0	152.0	45.0	30.0
Missouri.....	1,557.2	1,422.9	134.3	9.4					
Montana.....	251.8	218.2	33.6	54.0	Total.....	113,008.4	104,075.9	8,932.5	8.6

¹ Balance does not equal resources minus expenditures in some States in view—of statutory provisions to transfer part or all of the year-end balance to separate fund for uses including debt service, capital outlay, tax refunds or rebates, and future-year expenditures.

² The reports from these States were income to and therefore were not included in this report. North Dakota reported for fiscal year 1978 only. FY 1979 resources were \$456,500,000, expenditures were \$263,400,000, year-end balance was \$193,100,000, balance as percent of expenditures was 73 percent. No data were available for fiscal year 1979.

Mr. RIEGLE. This table shows, Mr. President, that over 50 percent of the total operating surplus of all State governments was generated by only three States: California, Texas, and Alaska. The surplus in California is evaporating in the light of proposition 13. But even if it remained large, a big surplus in California does not help Michigan or any of the many other hard-pressed States pay their bills. The table also shows that many States have operating balances well below the 5 to 7 percent expenditures that is recommended by leading bond analysts. States also differ greatly in their tax effort and in the burdens placed upon them for services.

Mr. President, cutting the general revenue-sharing quota of all States by one-third would, therefore, be highly inequitable.

For these reasons I will vote for this amendment, and I urge my colleagues to support it, also.

Mr. MATHIAS. Mr. President, our distinguished Senator from Tennessee, the minority leader, is one of the advocates, sponsors, and authors of this proposal to restore the revenue sharing funds, and I yield him such time as he may request.

Mr. BAKER. Mr. President, I thank the Senator from Maryland.

I am pleased and honored to be a co-sponsor with him and with other Senators on this amendment.

Mr. President, one of the first major

political initiatives in my career was a proposal for what I then referred to as Federal tax sharing in my campaign for the U.S. Senate in 1964. I will not dwell on the fact that in 1964 I was not successful and neither was my proposal.

But there was another political opportunity for me, and I considered myself fortunate in that respect. I ran in 1966 for the Senate and was elected. One of the principal planks in my platform was support for Federal revenue sharing, as it became known by then and is known today.

I am not going to recount the history of the evolution and development of revenue sharing as such.

I wish to cite one or two points, however, that are useful, I believe, to this debate and important to the argument I am going to try to make in just a moment.

Revenue sharing is not nor has it ever been a partisan initiative. Indeed one of the major criticisms leveled against me by members of my own party in 1964 and 1966 was that Federal tax sharing and later Federal revenue sharing was a Democratic initiative, having been first proposed by the chairman of the Council of Economic Advisers for President John F. Kennedy.

Revenue sharing has had a broad base of support among Republicans and Democrats, witness the fact that the late Senator Hubert Humphrey and I prevailed on both national conventions in

1968, to adopt identical platform planks in support of their proposal, as they did substantially in 1972 as well. I believe I am correct in saying that that is the only plank in the platforms of the two political parties that was not partisan.

It was my pleasure to stand in this Chamber with the late Senator Humphrey and with others to urge the adoption of revenue sharing as the initiative of President Richard Nixon and to see the broad base of support that developed for it.

In brief, Mr. President, this is not just another Federal program. This, in my view and judgment, was a determined bipartisan and sustained effort over the period of years to change the direction of the growth of the Government in the United States and to rebalance the relationship between the central government and State and local government.

I believe it was a significant, indeed a major effort to meet the criticism leveled by so many that the Federal Government had grown too big and too powerful and was too far in debt. Moreover, in supporting revenue sharing I felt that we could do something to refute the argument that local officials could not or would not govern.

That sentiment sometimes spoken, more often unspoken but implied in the action of the Federal system, was the biggest political mistake this country made in this century. Revenue sharing has been an effort to redress that imbalance.

Now, Mr. President, we are meeting the first significant challenge to that effort to strengthen the partnership of governments in this country. The challenge will come today in an amendment by the Senator from Wisconsin, which will be subject to a point of order in a few moments.

Mr. President, I am sure we will deal with this issue again as the Federal revenue-sharing program is reauthorized, as I trust it will be, and as we rebate the appropriateness of this program to these times, but I must say now and in advance I support the continuation of revenue sharing. I think rather than reduce it we should increase it. I think it was a step in the right direction and there should be more revenue sharing instead of less, for I have faith in the ability of the local government to share the responsibility for the creation of an orderly and beneficial society.

But at this moment, Mr. President, I would focus my attention on the narrower issue of the effect of this cut proposed by the amendment were it permitted to stand.

I was speaking to the National Conference of State Legislatures in San Francisco when I received word of the actions of the Appropriations Committee, and the reaction to that news was shock, dismay, and even anger among State legislators there in attendance.

Most of the Nation's State legislatures have already adjourned for this year. They have already allocated these revenues in their State budgets for the next fiscal year. They have a promise from the Federal Government through next year that they will receive a substantial sum of money in revenue sharing and we are being asked to renege on that promise.

In my State of Tennessee \$43 million in general revenue sharing funds are scheduled to be spent in the next fiscal year by the State government and of that \$43 million some \$12 million would be forfeited if we adopted the Proxmire cut. Most of that money has been earmarked for funding of the Tennessee teachers retirement pension fund. Forty percent of it is to be passed through to local governments.

My State and virtually every State in the Union will be thrown into financial turmoil if we were to permit these cuts to stand today.

Mr. President, State tax collections were down last month in Tennessee, and the Governor of Tennessee informs me that they will be down again this month. And if the widely predicted recession hits with the full force that we expect, they will be down for a long time to come. The "surplus" being roundly denounced in this Chamber will evaporate very quickly in these States which have them, with or without revenue sharing.

We are approaching a time, Mr. President, when revenue sharing will be needed most to meet the very challenge it was designed to meet, to help States become and remain fiscally solvent. To abandon this program at this crucial time, when States have made good-faith efforts to use these funds wisely and well

and when they face certain economic hardship in the months ahead, I believe is an irresponsible act.

Mr. President, the 40 percent pass-through to local governments is not peculiar to Tennessee. It is the national average for all 50 States. In short, if we adopt the Proxmire cuts, almost 40,000 units of local and State governments will be adversely affected, will be thrown into fiscal turmoil and will fail to meet the needs of their States, communities, and counties as they had planned to meet them in good faith.

We cannot allow this kind of national confusion and chaos to occur by our hands, and I urge that this amendment be supported or that the test on germaneness result and the restitution of the funds be reduced.

Mr. LONG. Mr. President, will the Senator yield at this point?

Mr. BAKER. I yield.

Mr. LONG. Let me commend the Senator for a fine statement. It seems to me that the Senator's statement very well points up the reason why it was thought by the President who first recommended this revenue-sharing program, which was President Nixon, that this should not be a matter subject to annual appropriations, that it should be a matter of the Federal Government sharing some revenue with the States and it should be over a long period of time so the States could plan on it.

The approach being suggested here in the Appropriations Committee bill is just what the President thought we should try to avoid where no one can depend on it. They might get something to help; then again they might not. The whole idea of the revenue-sharing bill was that this would be something that belonged to the States. It was their money.

The taxpayers who support the States are the same taxpayers who support the Federal Government, and in view of the fact that the Federal Government had the right to preempt all of these revenues, we would share some of that with the State governments.

The idea of saying, "Well, yes, we will share it but don't count on it, any day it might be cut off or might be reduced," is just the kind of thing we sought to avoid when we enacted the program. I think the Senator is right.

Mr. BAKER. Mr. President, I think the Senator is right. I remember distinctly working with him when our colleague, Senator MOYNIHAN, then a Presidential adviser, pointed out that this program had to be permanent and dependable.

The effort to cut these funds today and make them unreliable to States would result in turning general revenue sharing into a grant system, subject to the vagaries of every Congress. I think that would be a huge mistake, and I think we ought to defeat this effort.

Mr. PROXMIRE. Mr. President, I yield 7 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas has 7 minutes.

Mr. BENTSEN. I listened to a lot of talk about what great turmoil it would cause to the State governments if they

lost an extremely small portion of their expenditures.

I think we have a tendency to overlook where the real problem is, and that is the financial situation of our Federal Government. Look what has happened to the value of the dollar. The dollar is in serious trouble, and we are facing inflation and a large deficit. The chairman of the Budget Committee has just told us they have very little chance of cutting the Federal deficit below what it was last year. Since we are going into a recession, you are going to have less income to the Federal Government than you had last year, so the budget deficit is going to increase some more.

There seems to be some kind of mystique about the fact that you can take this money and bring it up to Washington and, supposedly, it has gained weight before you send it on back to the State.

But I remember too often my distinguished friend from Louisiana telling his story about the fellow who said, "Next time, Dear Lord, don't send it through Washington; send it to me direct because something seems to happen to it when it comes through the Washington hands."

Now, my friends, I heard one of my distinguished colleagues, a former Governor, saying that he had a personal experience in this. But I know we have other Governors in this Chamber who feel just the contrary, who also have had their personal experience with revenue sharing.

I proposed eliminating the State portion of revenue sharing earlier this year. I did it at the time that the Governors' Conference was being held here in Washington, and I heard from Governors immediately. They were outraged. I can understand that. What is the easiest money to spend? Money you do not have to raise, money you are not accountable for raising. It is great fun to go down there and cut a ribbon and get the television cameras turned on to you and take full credit for it when you have used Federal revenue sharing and you are a Governor, and you have not had to tax the people to raise that money. That is money you get credit for.

Then you turn around and just really raise Cain with those "spendthrifts in Washington" who are spending the taxpayers' money on all of these extravagances.

Well, I do not think you can have it both ways. As soon as I proposed cutting back revenue sharing for the States in S. 263, whom did I have before the Joint Economic Committee? I had three Governors representing the Governors' Conference.

They said, "Senator, you can't touch revenue sharing. Cut the categorical grants. That is what you ought to do."

I said, "Fine. Tell me which ones."

They said, "Oh, we wrote a letter on that one to the OMB, to Jim McIntyre."

I said, "But I read that letter."

And I said, "I know what categorical grants you said in that letter ought to be cut out."

They were listed this way: Cut out

waste, cut out extravagance, be prudent. I said, "That is what you said. You did not list one. Now tell me which categorical grants you want to cut."

I had them there for 2 hours. I asked that question time and time again. You know how many they listed? None, zilch, not one.

I said, "Well, maybe it takes some time for you to think that one out. So why don't you write me a letter and list the categorical grants that you think we should cut."

I know the mail is slow these days, but that has been several months, and I have not received that letter yet before the Joint Economic Committee. [Laughter.] So here we come up with a modest proposal, modest when you are talking about the individual States and how much it means for them, \$684 million, but major when you are talking about the Federal budget and how much it means when we have this kind of a deficit facing the Nation.

Nineteen States cut taxes since January 1978. That is great fun for the Governors because they had surpluses. As of March of this year the cumulative State surplus was \$2.6 billion. It makes little sense for the Federal Government to worsen its deficit position by paying billions of dollars in revenue sharing funds to States that are cutting taxes and running large surpluses. The \$684 million reduction would be a constructive step toward eliminating this inequity.

You bet I oppose the State portion of revenue sharing. The Appropriations Committee has been very careful to avoid reducing revenue sharing for the cities and the towns where you have some real problems. The city of New York is a prime example of that. But that is not the same situation in the States where you have seen this kind of a surplus across the country.

I would strongly urge my colleagues to support the Appropriations Committee. It is my understanding that a point of order is going to be made on the question of germaneness, but the distinguished Senator from Wisconsin is going to come back with an amendment to cut this amount, and I think it is long overdue. I think it is a modest approach in the direction of fiscal responsibility in the Federal Government.

I would strongly urge the Members of the Senate to support the move of the distinguished Senator from Wisconsin and to back up the language of the chairman of the Budget Committee in trying to promote fiscal responsibility. I thank the Senator.

Mr. PROXMIRE. Mr. President, I want to thank the Senator from Texas for an outstanding statement. I deeply appreciate it. I think what he said is absolutely correct and unanswerable.

I have a little more to say myself, but I think he made about 90 percent of the answer to these arguments that we have to continue providing money to the States, money which was described by one witness as "put it on the stump and run," a complete lack of accountability.

The League of Women Voters made a 2-year study and they found most people, most members of the legislatures, most press people who cover the legislatures, most Governors, did not know where the money went.

Mr. President, I have a little study here I am going to refer to in a few minutes after other Members have had an opportunity to speak.

Mr. BENTSEN. Mr. President, will the Senator yield so that I can make a unanimous-consent request?

Mr. PROXMIRE. Yes.

Mr. BENTSEN. Mr. President, I ask unanimous consent that my staff member, Marty Clayton, be granted privileges of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maryland.

Mr. MATHIAS. Mr. President, I think the managers of the bill hope to bring this matter to an issue by around 11 o'clock.

I would only say to the distinguished Senator from Texas that it is not only the States that are involved here. Forty percent of this money passes through to the cities and towns of this country, and the uncertainty referred to by the Senator from Louisiana would be particularly devastating to these municipal budgets.

But the Senator from Texas referred to the experience of the Governors. We are fortunate that one of the sponsors of this effort is, in fact, a former Governor, a very distinguished former Governor, the former Governor of Arkansas (Mr. PRYOR). I am wondering if 3 minutes would be adequate for the distinguished Senator from Arkansas?

Mr. PRYOR. I will say to the Senator that I will take only 2 minutes.

Mr. President, I rise in support of the amendment of the Senator from Maryland, and the Senator from Tennessee. I support this amendment basically on two grounds: First, I think it is untimely. We have a program that is about to expire, as I understand it, in 1980, and it is impractical and unfair for us to suddenly come in here and take this money away that has already been allocated to the States.

As a former Governor, I know what happens in a small State and a rural State like the State of Arkansas. I can only assume that we are going to see about 50 special sessions of the respective State legislatures in order to make up this balance.

Second, it has been stated on the floor of the Senate just a few minutes ago that many of the parties to this argument and many of the parties who make the observations on the whole process of revenue sharing do not know where the money goes. But in Arkansas we can speak to where the money goes, because in 1977 the State legislature said that the first \$20 million that comes into the State of Arkansas in revenue sharing is put into the State highway program, and the spillover from that goes to a fund that promotes local, State, and Federal cooperation in highway construction.

The cities and counties in our State use this money and make it work in order

to come back and match other State and Federal programs, and when we talk about losing just \$7 million in the State of Arkansas, Mr. President, we are talking about losing a lot more than that, because of the multiplying factor.

In closing, Mr. President, I wish to say that I feel that taking away this program at this time is very unfair, because I know for a fact it is the heart and soul of many State highway programs in this country, especially in States like the State of Arkansas.

Mr. PROXMIRE. Mr. President, I yield 2 minutes to the ranking minority member of the Appropriations Committee, the Senator from North Dakota (Mr. YOUNG).

Mr. YOUNG. Mr. President, I opposed revenue sharing from the start, because I did not think the Federal Government had any money to give away to the States. But when it was first proposed by President Nixon, it made some sense. He first wanted to do away with some Federal programs, and this revenue-sharing was to be in lieu of payments to the States for these programs.

But that concept was soon forgotten, and it has become a pure gift in the years since then.

In my own State of North Dakota, in the last 3 years, by initiative measures, they have reduced the State income tax, and they still had a big surplus. Later they reduced the sales tax, but on July 1 this year the end of the fiscal year we came up with a big surplus again. And that is not just the situation in my State. As I understand from the speech by the Senator from Texas, all the States have had balanced budgets now.

So the States can far better absorb the added cost than can the Federal Government. The deeper the Federal Government goes into debt, the less value the dollar has, the more inflation we have, and the more fiscal problems we have. So I think this is a good beginning, to take some of this money and pay for this program and let the States absorb some of the costs themselves.

Mr. PROXMIRE. I thank the Senator from North Dakota very much for his fine statement.

Mr. TSONGAS. Mr. President, I have been watching a number of urban legislative programs as they wend their way through the Congress.

It would appear that the administration and the Congress have found a mutually agreeable scapegoat: urban affairs. The cities of this country, and the people in those cities, are taking it on the chin.

Housing, mass transit, action grants, urban parks, CETA, revenue sharing are on a long list of programs singled out for an unfair share of our efforts to balance the budget.

We are expected to approve massive cuts in every key program affecting the cities of this country, and yet I hear few in this Senate willing to approve comparable cuts in the military budget. We are engaging in cost-cutting for certain citizens who happen to be poor, and for certain places which happen to be in economic distress. We are not suggesting that our defense establishment

make the same sacrifices for the good of the national economy.

I suggest that the Senate has a very distorted sense of priorities. We are playing a dangerous and shortsighted game. The cities of the United States are at stake; the long-term losses will be irreparable.

The appropriation of HUD and for revenue sharing is a classic case in point.

Let me point out four areas where we can take action to maintain key urban programs.

Housing for low-income people. For 6 months, we have been debating whether or not we will continue our commitment to provide decent housing for the elderly and the poor. There are very few programs so needed, and yet so neglected.

HUD's assisted housing program has been reduced by 42 percent since 1976. This year the Senate Banking Committee authorized 300,000 units, but that level was reduced on the floor of the Senate to the administration's request for 264,000 units. The Appropriation Committee has given us a bill which also reflects the administration's request for 264,000 units. This figure is already too low, and it is vital that we prevent further reductions.

Urban development action grants. The President asked Congress for an increase of \$275 million for a program to create jobs and foster economic development in our distressed cities. UDAG is the most important economic stimulus program that Congress has given to distressed areas. It has generated 171,511 new jobs and leveraged \$4.5 billion in private investments during the first year of operation.

The Senate Banking and Appropriations Committees both have approved the President's request. The Senate should now follow this lead, and vote against any effort to delete the increased funds from the Appropriations bill.

General revenue sharing. The Appropriations Committee voted to cut \$684 million from the general revenue sharing program, and to have the States absorb the entire reduction in funds. This cut represents a 30 percent reduction in the State revenue sharing program.

There seems to be a misconception about where State revenue sharing funds are spent. Over two-thirds of those funds go directly to local governments, for such programs as aid to education. The balance of the funds support vital services of benefit to the entire State population.

There has been discussion about a few States with surplus revenue sharing funds. The way to solve that problem is not to cut off aid to States where every dollar is spent, and every dollar is needed.

There are many Members of the Senate, including myself, who have served in either State or local government. Any Member who thinks that revenue sharing is not critical should talk to those of us who have been through the process of providing the services, balancing the budget, and holding down the tax rate. Revenue sharing is an important tool

which State and local governments must have to prevent economic collapse.

Assistance for State 236 projects. The appropriations bill has no provision for State participation in the troubled projects program. This is despite the fact that for 10 years, Congress has made it clear that this program should be available to State and Federal projects without distinction.

Without going into the court suits or the round-by-round sparring between the administration and the Congress on this issue, let me point out that once again this year, the Senate and House Banking Committees both made it absolutely clear to HUD that the States were to participate.

There are two basic issues here:

The first is a simple question of equity to the tenants. In Massachusetts we have a large number of both State and Federal troubled projects. The tenants in the State projects are bearing the same rental burden as their neighbors across the street in the Federal projects. It is ridiculous to arbitrarily say that State tenants cannot get help because their building happens to be insured by the wrong government.

The second point is that we have depended heavily on the States for the implementation of Federal housing programs. In Massachusetts, assisted housing is being developed almost exclusively through the State. The State is a partner to the Federal Government in housing, and we need that partnership.

Now, when State housing is undergoing the same difficulties as Federal housing, we are essentially telling the State to drop dead.

This is not an honorable way to treat the States, and it does not make sense to eliminate the States from this program if we want to rely on them for continued help in other areas of housing.

I hope that the Senate can begin today to reverse the mean-spirited trends in this Congress, by making a number of sensible decisions on urban programs.

If we fail, we will have an even greater urban crisis to deal with in years to come.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I would note that in addition to the distinguished Senator from Arkansas (Mr. PRYOR), Mr. LEVIN, Mr. PRESSLER, Mr. JEPSEN, and Mr. DURENBERGER have all indicated their strong support and sponsorship for our effort to restore these vital revenue-sharing funds.

POINT OF ORDER

At this point, Mr. President, to bring this issue to a decision by the Senate, I make the point of order that the committee amendment, on page 26, lines 16 through 19, is general legislation and not in order in a general appropriations bill under the provisions of rule XVI of the U.S. Senate.

The PRESIDING OFFICER. The item does contain language that makes it legislation on an appropriation bill, and the Chair sustains the point of order made by the Senator from Maryland.

Does the Senator from Maryland wish to be recognized under the order to offer the first floor amendment?

Mr. MATHIAS. Mr. President, in view of the fact that we have had an extended discussion on this subject, I will waive putting in the first amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. As I understand the decision of the Chair, which has not been contested and will not be as far as I am concerned, it simply knocks out the reduction made by the Appropriations Committee, also knocks out the language, and restores the sum to \$6,854,924,000; is that correct?

The PRESIDING OFFICER. The Senator is correct.

UP AMENDMENT NO. 458

Mr. PROXMIRE. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 458:

On page 26, line 16, strike "\$6,854,924,000" and insert in lieu thereof "\$6,170,924,000, of which not to exceed \$1,599,333,000 shall be allocated to State governments pursuant to 31 U.S.C. 1226."

Mr. PROXMIRE. Mr. President, what this amendment does is simply change the figure in the bill from \$6,854,924,000 to \$684 million less than that and apply this cut to the State share. The \$684 million cut is precisely what the Appropriations Committee did, except my amendment knocks out the language which was the point-of-order language and made the action taken by the Appropriations Committee vulnerable to a point of order.

So what we now have before us is a straight up and down reduction of 10 percent in revenue sharing funds, with the intention as expressed in the committee report and the language of the amendment that it be taken out of the States' share.

Mr. President, we have already had a spirited debate on this matter. One or two other Senators, I think, want to come to the floor to speak on it. I will speak briefly. Then I would suggest we can have a vote shortly. As I understand, there is a half-hour equally divided on this amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I think that the case for this amendment is clear on several fronts. In the first place, all of us are aware—heaven knows, the taxpayers are aware and the citizens of this country are aware—of out of the last 17 years we have had deficits. We have had expressions by State out of the last 17 years we have had deficits. We have had expressions by State legislatures; we have had expressions in California, in the Proposition 13 vote, and in many other States that the people are fed up with excessive Federal spending.

The Governors have zeroed in on the Congress particularly, and told us that we ought to cut back spending. They have called us wastrels. The Governor of New York has said that the Federal legislators ought to come to New York and find out that Government is not a growth industry. The Governors have been in the forefront, and I think they are right, that we should cut spending.

What spending, then, should we cut? It is hard to find a place more logical to consider reductions than revenue sharing. I say that for many reasons: First, because this is money that does not require accountability. As I remember, the League of Women Voters made a study and found that a very large portion of those most responsible for State expenditures could not say where the money went.

With that in mind, we required, in 1976, that there be an audit of revenue-sharing funds, to provide an accountability, so that at least there would not be corruption, so that people would not take the money and put it in their pockets, so that a mayor would not build a golf course near his home, use the money to buy Lincoln and Cadillac automobiles, or for other such purposes. We found that many employees in many States figured, "This is money with which we can increase our pay envelopes." They did not want to take it from other sources, because people would get rather testy about that.

Mr. President, this morning there was an article published in the New York Times, written by John Herbers, entitled "Revenue-Sharing Auditing Held Defied, Fraud Feared." Let me quote from that article:

Auditing requirements enacted in 1976 to prevent misuse of general revenue sharing funds have been so widely flouted by state and local governments that a considerable amount of corruption may well have been concealed in the \$7 billion a year program, according to a new study.

The study was conducted by the Council on Municipal Performance, a non-profit research organization based in New York.

Every state or local unit receiving \$25,000 or more is required to provide an independent audit of its financial statements conducted "in accordance with generally accepted auditing standards, not less than once every three years." Failure to comply is ground for cutting off funds. So far, there has been no cutoff.

T. Jack Gary, audit manager of the Office of Revenue Sharing, confirmed in a telephone interview that only half of the 11,700 required audits had been received.

Most of the audits are done by independent accountants. A sampling of 200 of the audits showed that 100 were unacceptable and would have to be done over.

So, No. 1, half of the audits are not being complied with at all, and, in addition to that, those that are done are unacceptable.

Continuing:

But John T. Marlin, president of the performance council and author of a paper on the study, wrote: "The requirements are being flouted." An undetermined number of municipalities are making no effort to comply, some states have unacceptable standards, and a large proportion of audits that have been made are being rejected for a number of reasons, he said.

"This is an invitation to corruption," he said in a telephone interview. "It is like a broom that is not being used."

Mr. President, if there is any kind of spending which I think the overwhelming majority of taxpayers would agree should be reduced or eliminated, it is spending that permits corruption and fraud. Here we have the clearest kind of evidence that this unaccountable money, this money which can be taken and used for whatever purpose the States wish to use it, is being abused.

As has been said, this is a modest cut. It is a cut of only 10 percent. It is a cut which, as applied to the States, they can all handle. But it is a cut that means a great deal in this budget.

As I pointed out, we are well over the budget resolution. As Senator MUSKIE the chairman of the Budget Committee pointed out, we are getting to be in real trouble. We face a situation where we are likely to have a bigger deficit this coming year than we had last year. We are reversing all the good work we did earlier this year when we had a budget resolution which was responsible and which held down spending.

In the revenue sharing area, nobody can say that the funds go to the poor, nobody can say that they go to the needy, nobody can say that they go to a specific useful purpose, because nobody knows where they go. They cannot tell us.

The study I quoted from tells us that there is just no compliance with this audit requirement. We do not know where the money goes. So, Mr. President, I would hope that the Senate would support this limited amendment that does save \$684 million.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Maryland.

Mr. MATHIAS. Mr. President, I oppose the amendment for reasons which have already been stated by the minority leader (Mr. BAKER), by a number of other speakers such as the distinguished Senator from New York (Mr. MOYNIHAN), the former Governor of Arkansas (Mr. PRYOR), and others in the Senate. But I oppose it not only because of the reduction in the dollar figure but because of the consequences which could flow.

I am a country lawyer, and I do not understand all of the fine points which may be involved in this amendment. It looks so simple. It looks so easy. But what would be the effect of this amendment if the words which were included in the original committee amendment, "notwithstanding other provisions of law," are omitted? Those, of course, are the words to which the ruling of the Chair addresses itself. Can the Senator from Wisconsin tell us what would be the result of trying to reduce revenue sharing without specifically addressing the conflicts which would occur as a result of other provisions of law?

It seems to me that we might be faced with the absolute necessity of coming back and appropriating this money at a later date if the Senator's amendment

were to prevail, or, if we did not do that, there would be a proliferation of lawsuits on behalf of States, cities, and towns all over the country who feel that they are entitled as a matter of right to these moneys.

It seems to me that not only is this amendment unwise in introducing that element of fiscal uncertainty which the Senator from Louisiana has raised, but it is also unwise as a matter of law because it is going to raise legal uncertainties.

Mr. President, for that, and for the reasons I have already stated, I oppose the amendment and hope the Senate will defeat it.

Mr. EXON. Will the Senator yield?

Mr. MATHIAS. I am happy to yield.

Mr. EXON. Mr. President, I wish to add my voice in support of full restoration of revenue sharing for fiscal year 1980. As a former Governor, I know how valuable revenue sharing has been to State and local governments, and I believe the concept of revenue sharing should be continued at least through 1980. I have always believed in providing State and local governments with maximum possible flexibility in the use of Federal funds, and the general revenue-sharing program meets this standard.

This is not to say, however, that I will always be in a position to support this program in the future. In fact, my patience is being tried on this very vote, for the promises of revenue sharing have not been fulfilled, and growing surpluses in some States make this a very tempting budget item to cut.

If it were not for the fact that many States have no significant surpluses, and have already budgeted revenue-sharing funds in their fiscal plans for the upcoming year, and could be faced with special legislative sessions or the cutting off of revenue sharing flow-through funds to local governments, I might support this reduction proposed by the Senator from Wisconsin.

When the Senate Budget Committee meets next week to consider revenue-sharing funds for 1981, I will have to reevaluate my support for the revenue-sharing program because of at least two factors: First, many States are accumulating large surpluses in their general fund, and I have difficulty sending Federal revenue sharing to a State which has a large surplus when I am committed to a balanced Federal budget, a goal I believe is achievable.

It is naturally of great concern to many of us when a large majority of the States have written us saying, "We want you to balance the Federal budget." Yet it is the same Governors and the same State legislatures which appeal to us time and time again for more and more money from the Federal Treasury which comes, of course, from Federal taxpayers.

Second, what has happened to the cutbacks and consolidations in Federal categorical grants which were to accompany the Federal revenue-sharing concept? Instead of cutting back on categorical grants, the Congress has continued both categorical and general revenue-sharing programs. One or the

other has to go, and while I will continue to advocate categorical grant consolidations and cutbacks, if these are not achieved, I will have to support a phaseout of general revenue sharing, and view it as a noble effort that did not work. And maybe not just for States but local governments as well.

My main point here is I believe not enough consideration has been given to this matter, and I believe that the amendment offered by the Senator from Wisconsin would be particularly crippling and most difficult for the States at this particular time.

Mr. President, I certainly support the good efforts of my distinguished colleagues who, once again, are trying to face revenue sharing realistically at this time, but I will have to see some dramatic changes to be made by the Congress and in some of the States before I likely can support the continuation of the full revenue-sharing program for the next budget on which we are now working.

I thank my friend from Maryland.

Mr. MATHIAS. I thank the Senator for his contribution which is even more valuable because he speaks with his years of experience as a Governor, administering the affairs of a great State. I think he brings a very pragmatic point of view to this debate.

Mr. PROXMIRE. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Wisconsin has 8 minutes remaining and the Senator from Maryland likewise has 8 minutes remaining.

Mr. PROXMIRE. Mr. President, I have a request for time. I ask unanimous consent that we can have a short quorum call with the time not to be taken from either side until a Senator can come to the floor.

The PRESIDING OFFICER. Is there objection? If not, without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, may I ask the Senator from Oregon how much time he wishes?

I have only 8 minutes left. I will give him whatever he wishes.

Mr. HATFIELD. Four minutes.

Mr. PROXMIRE. I yield 4 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 4 minutes.

Mr. HATFIELD. Mr. President, I thank the Senator from Wisconsin for providing this opportunity for me to say a few words.

I only indicate that I happen to have been one of the Governors who exercised his responsibilities and duties providing sufficient revenues for State programs before revenue-sharing, not after revenue-sharing.

I must say that I have very strong philosophical viewpoints that when we

separate the tax collecting from the tax spending responsibilities and authorities, we have not strengthened federalism, but we have weakened federalism, by making Governors and local governments more dependent on central Government, rather than less dependent.

I think we have to be realistic to recognize that where the purse string and management money is spent or granted, that there is power and authority that is yielded by the State and local governments to obtain that revenue, that money.

I voted against revenue sharing on this basic philosophical principle when it was proposed initially to this body. But I did also feel that it was improper to cut off the revenue sharing without due notice given the States and local governments to prepare for that day when they would have to assume those responsibilities themselves.

So, as we recall, we authorized a 5-year extension in 1976 and at that time it was the first of the 5 years we had a distribution of over \$30 billion.

This money was distributed over 39,000 local government units, and today we are talking about money the States are entitled to—that is the statement I have heard most frequently. Yesterday I was informed by a Washington lobbyist that my State had obligated its share of revenue sharing for 1980.

Senator RIEGLE has discussed the possibility of reauthorizing of revenue sharing next year. Let me remind ourselves this morning that when we reauthorized this program in 1975, if my memory is correct, we said it was for the last time.

It seems to me, from talking to members of my State and local governments and other State agency representatives, that there is the same view given toward the action they will expect at the end of this period that they got at the end of the first period, that we will automatically, or with debate and discussion, ultimately renew.

They look upon it about as seriously as we look on the so-called debt ceiling limitation.

Therefore, it seems to me this is the first step to really tell the States and local governments we mean business, we are not going to reauthorize, and that we take the step to reduce the revenue sharing this year. Then it is a more honest approach than to dangle the States up to the last minute to the point of reauthorization becoming a reality, or if there are cuts. Then they will have to try to turn around and pick up the pieces and deal with the situation they find themselves in.

So I support the effort today to reduce the amount of revenue sharing as the most honest, forthright, frank manner to deal with this issue as a signal to the States and local governments that we are serious about the fact that when we reauthorized for another 5 years, that that was for the last time.

If it is not for the last time, if we really are playing games, let us be honest today and say that we are going to reauthorize and let the States plan ahead for it.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. JAVITS. Will the Senator yield me 2 minutes?

Mr. MATHIAS. I am happy to.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I think the point already made about States' surpluses has been clarified. But I simply wish to clarify it in my own name. That is, the surplus States we are talking about are food producers and energy producers, and not States like mine with enormous populations and nothing but trouble.

In addition, the fact that States by their constitution, like my own, are not permitted to have a deficit and, hence, not only have to have a balanced budget, but have to carry a cushion.

Mr. President, the main point I would like to make is that the reason the revenue sharing was such a gifted proposition was that it was the only way in which the Federal Government could really be a barrier to maintain federalism, exactly the thing Senator HATFIELD spoke about, and I know of no authority more prestigious on that subject than himself, because if the States are going to have anything left to local government, and their own government, they have to have the means to finance it and carry their responsibilities.

We can talk forever about the fact we want to break down government to the resource level, especially as to families, children, and so on, but if they do not have the resources, they cannot do it.

Many of them, including my own, do not have the resources to put up matching funds for Federal programs to which they are entitled.

For all these reasons, I will vote against the amendment.

The subcommittee report paints an incorrect picture of financially healthy States spending or returning giant surpluses in the face of a constrained Federal fiscal circumstance. Nothing could be further from the truth. It is crucial that the Congress understand clearly the nature and basis of State financial conditions today.

First, States do not have budget deficits because their constitutions generally prohibit such financing. Second, because of these constitutional restrictions, States are required to keep some cushion against cyclically declining revenues so that mandated expenditures do not force their treasuries into illegal deficit spending.

The size of that surplus is crucial to the judgment financial interests make in underwriting State obligations. And the measure of a "solid" surplus is better than a 5-percent surplus, according to Standard & Poor, the nationally recognized bond rating service.

Mr. President, only 15 States have such a surplus—and all but 2 are major energy and/or food producers, so their revenues may be expected to have risen with the skyrocketing inflation in these basic commodities. I ask unanimous consent that a table listing the 1979 surplus balances be printed in the RECORD as it shows how many States are in truly marginal financial condition.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1979 "SURPLUS" BALANCE AS A PERCENT OF EXPENDITURES

0 to 1 percent	1.1 to 3 percent	3.1 to 5 percent	Over 5 percent
Alabama	Arizona	California	Alaska
Arkansas	Illinois	Colorado	Indiana
Connecticut	Kentucky	Delaware	Iowa
Florida	Massachusetts	Georgia	Kansas
Hawaii	Rhode Island	Maine	Maryland
Idaho	Utah	Montana	Mississippi
Louisiana	Wisconsin	Nebraska	Missouri
Michigan		Ohio	New Hampshire
Minnesota		West Virginia	New Mexico
New Jersey			Oregon
New York			South Dakota
North Carolina			Texas
Oklahoma			Washington
Pennsylvania			Wyoming
South Carolina			
Tennessee			
Vermont			
Virginia			

Note: Nevada and North Dakota do not have completed reports.

From: National Governor's Association "Understanding the Fiscal Condition of States", 1979.

Mr. JAVITS. Not only must the fallacy of current State fiscal health be dispelled, but we must also analyze the final prospects for these governments. The figure has been used of a \$2.6 billion State surplus in first quarter of 1979, to show how well States are fairing. Now, I must first point out that this indicator is claimed for it; \$2.6 billion represents the revenue inflows greater than outflows for all State and local units of governments for quarter 1979 as reported by the Commerce Department Bureau of Economic Analysis. The correct way to find out a State's fiscal position is not to look at taxes paid in in one quarter versus the same 3 months' expenditures; rather one should examine the balance of revenues over total annual expenditures and only for States not including local units.

However, to take on the subject on its own grounds, for these sets of figures prove our point rather than the contrary. State governments are being undermined by the encroaching business slowdown. The same data series shows a \$6.7 billion deficit for the second quarter of this year. While this figure could fall to as low as a \$6 billion deficit when adjusted for some uncounted corporate tax receipts, the economic trend is clear—State and local government revenues are beginning to suffer a drastic reversal.

While these precise figures are not accurate reflections of true State balances, experts at the Department of Commerce Bureau of Economic Analysis have made it clear to us that these are clear indicators of fiscal trends. These sad events were foreseen in the 1978 "Survey of Business" issued by the Department of Commerce which predicted in 1979:

State and local governments will remain in surplus only because of the surpluses generated by the social insurance funds (pension accounts), all other funds, which probably recorded a deficit in 4th quarter 1978 will record a larger deficit in 1st quarter 1979 and remain in deficit throughout the year.

Similarly, Robert Muller of Standard and Poor has suggested that the fiscal condition of States is far weaker today in real dollar terms than it was in 1973.

Mr. President, it should be clear by now that most States are in fiscal trouble and that their troubles will deepen with

the coming recession. The question of whether they are moving to help themselves has also been raised. It is alleged States are cutting taxes, although the aggregate recent evidence is unclear. But Senators know full well that State tax structures are designed to be flexible and responsive. There have, indeed, been 25 cuts in State sales tax, 53 State income tax cuts, and 14 State corporate tax cuts since 1970, but there have also been 25 sales tax increases, 30 individual income tax increases, and 38 corporate tax increases in that period. State tax policies are rollercoaster-like, and designed to respond to current needs. Everyone admits the net effect of State tax reforms over the past decade is to make State tax systems infinitely more progressive and equitable than before. However, this also makes them more vulnerable to recessionary effects. And many States are seeking not to put their citizens in higher tax brackets as a sole consequence of inflation. I must add that, in the same decade, the fiscal courage of the Congress resulted in four tax cuts and not tax increases.

Mr. President, State government prosperity is a dangerous illusion. The States are entering a twilight economic period in which continued and stable Federal support is indispensable. There could be no worse moment to eliminate this vital assistance.

The PRESIDING OFFICER. The time has expired.

Mr. MATHIAS. I yield 2 minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. I thank the distinguished Senator from Maryland.

Mr. President, I oppose the amendment of the distinguished Senator from Wisconsin.

I do, however, support a reduction in the State governments' position of general revenue sharing funds. It makes little sense to continue massive amounts of unrestricted funds to State governments that have fully recovered from the 1974-75 recession and that are now in sound financial condition while the Federal budget deficit continues to be \$30 billion this year.

Mr. President, it seems to me we ought to rename this program, and call it general deficit sharing.

As far as I can determine, no State government will have an operating fund deficit this year. State government operating fund surpluses should instead be in the range of \$4 to \$6 billion. And as a result of improved finances, 36 State governments have been able to cut taxes by about \$2.3 billion in 1978 according to recent information published. Indeed, indications are that aggregate State tax cuts, after all legislative sessions are finished this year, may run over \$3 billion.

So, I congratulate State governments for showing fiscal restraint and reducing taxes. The Appropriations Committee vote to reduce the State portion of revenue sharing by over \$600 million indicated that we would like to exhibit similar fiscal restraint in holding down the Federal deficit and eventually reaching a

balanced budget—something which 30 State legislatures has asked us to do, indicating that unless a balanced budget is achieved, they will support a constitutional amendment to mandate that goal. Something, I might also add, Mr. President, that the National Governors' Conference has voted to ask us to do.

During the markup of the HUD appropriations bill I voted for the Proxmire position to reduce the State share of revenue sharing by \$684 million. It was clearly the intent of the amendment that no funds were to be cut from local units of government, who need general revenue sharing funds to provide essential services and to prevent increases in the local property tax.

I have consequently reviewed the effect of this amendment. Currently about 35 to 40 percent of State general revenue sharing funds are passed through to local jurisdictions. So while the Proxmire amendment is aimed at reducing the State portion of revenue sharing it also potentially reduces revenue-sharing funding to local governments.

Because of this situation, I must vote against my distinguished colleague, the chairman of the Subcommittee on HUD Appropriations. I certainly support the intent of his position—to cut the State share of revenue sharing. But because the cut is provided on the appropriations bill in this manner and because there may not be an opportunity to make corrective changes in the authorization legislation this year, this bill could reduce local revenue sharing funds. Therefore, I must vote to restore these funds at this time.

However, Mr. President, I want to say that I will support future efforts to address this problem when the Senate considers the reauthorization of the general revenue-sharing program next year. I believe that the reauthorizing legislation can be amended to reduce the State portion of general revenue sharing without reducing support to local units of government. The Senate Subcommittee on Intergovernmental Relations which I chair is currently conducting oversight hearings on the general revenue sharing program, and I assure you that I plan to work on this matter in the future with the distinguished chairman of the subcommittee on HUD Appropriations so that we may be prepared to make the necessary corrective changes in the general revenue-sharing legislation early next year.

Mr. MATHIAS. Mr. President, I yield 2 minutes to the Senator from Utah.

Mr. GARN. I thank the distinguished Senator from Maryland.

Mr. President, I am opposed to the Proxmire amendment, not on the basis of the amount of money involved.

The argument being made here today—whether the States need it or not, whether they are in a surplus or in a deficit position—is not the line of argument I want to make.

When I was a mayor, we fought very hard for the principle of revenue sharing, because it was relatively free of strings and dictation by the Federal Government. That proved to be true.

We had a model cities program of \$3.8

million in my city, when \$3 million of it was used for administration and complying with the Government mandates. We had \$4 million worth of revenue sharing, and we hired not one employee, no administration. The entire \$4 million was used in programs. That has been essentially true at the State level, too.

There may be some argument for cutting aid to States, but if it comes, it should be categorical programs, where there is a great deal of waste when too much of the money is used for administration.

So I oppose the cutting of revenue-sharing funds on the basis of destroying a principle that many of us in local government worked very hard to achieve—to cut down the influence of Congress and the Federal Government dictating to locally elected officials and State-elected officials. That is why I oppose this amendment, without even dealing with the amount of dollars. We are starting to chip away at that principle.

My distinguished friend from Oregon said we are not going to reauthorize. I think it is a tragedy if we go away from that principle, and I am surprised that a former Governor wants to do away with it.

On the basis of dollars, maybe we are allocating too much to State and local governments, but let us cut them in the categorical programs, where all the strings are and where the Feds dictate, and not destroy a principle for which local government worked hard, to have less interference by the Federal Government.

Mr. MATHIAS. Mr. President, I yield 2 minutes to the distinguished Senator from New Jersey.

Mr. BRADLEY. Mr. President, I oppose the amendment before the Senate, to cut the States share of general revenue sharing for fiscal year 1980.

Proponents of the reduction have cited a figure which indicates a \$2.6 billion surplus in State and local budgets for the first quarter of 1979. Such isolated figures provide an inadequate measure of the fiscal conditions of States. In its report of January 12, 1979, the Joint Economic Committee recommended against "altering policy judgments of underlying fiscal or economic needs because of short-term bulges in the surplus," because such surpluses are a transitory phenomenon, soon to be erased in later quarters. Figures prepared by the Bureau of Economic Analysis indicate that State and local surpluses available to support government programs have been decreasing. During the first quarter of 1978, the surplus was \$7.9 billion, as compared with the \$2.6 billion surplus reported in the same quarter this year. Also, the National Governors' Association reports that a \$6 to \$7 billion budget deficit for State and local governments can be expected in the second quarter of this year with reasonable certainty, resulting in part from the recent slowdown in the economy.

As noted in the Economic Report of the President of 1979:

Movements in this aggregate state and local surplus or deficit are dominated by

national trends but conceal great diversity across states and among cities and areas within states . . . extreme care must therefore be used in drawing general conclusions about the fiscal condition of the state and local sector, or of individual areas within it, from the aggregate surplus or deficit.

A look at the unique fiscal conditions of States supports this position. Surveys conducted by the National Governors Association have shown that the bulk of the aggregate State surplus—indeed, a full one-half—is in three States. As many as 34 States accrued 1979 balances of less than 5 percent of operating fund expenditures, which is widely regarded as the minimum protection against unanticipated expenditures for emergencies.

My own State of New Jersey is among those States which have maintained austere budgets. And it would be affected seriously by a reduction in the State share of general revenue sharing. New Jersey's budget for fiscal year 1980 already has been approved. Out of a \$4.6 billion budget, New Jersey's fiscal year 1980 budget surplus is projected to be \$40 million, or less than 1 percent of total operating expenditures. This cannot be considered a surplus; it is the barest margin of safety for a State which is required by law to maintain a balanced budget. If the State share of funds cut by the committee is not restored, New Jersey would stand to lose almost \$25 million, putting vital State and local programs in jeopardy.

Currently, the State budget supports more than one-third of all public spending in our major urban centers, including 76 percent of the Newark school budget and 79 percent of the budget in the city of Camden. Fifty-five percent of total State resources is paid out in direct aid to local communities, including 100 percent of the State income tax. A reduction in the State share would undermine both State and local programs across the board. Similar effects can be expected in other States which have finalized their budgets with the expectation of receiving their full entitlement of general revenue sharing funds for fiscal year 1980.

The State share of revenue sharing is used for vital State programs. Nationwide, 35 percent of the funds are earmarked for education; 26 percent for a variety of social services ranging from care to elderly and indigent to environmental health programs, to emergency medical services. Seven States—Arkansas, Kentucky, Louisiana, Massachusetts, Mississippi, Missouri, and West Virginia—use all of their revenue sharing funds for vital construction projects, such as vocational-technical schools, public hospitals and universities, and flood alleviation programs. Many States allocate revenue sharing funds directly to local governments.

Mr. President, I also suggest, as the chairman of the Subcommittee on Revenue Sharing of the Finance Committee, that this is an unnecessary and hasty response to the proposition 13 mentality. I hope that over the next year, when we are considering general revenue sharing, we will be able to have a full hearing and

discuss the issue in full detail, and not rush to this judgment on the floor of the Senate in response to proposition 13.

REVENUE SHARING AND A BALANCED FEDERAL BUDGET

● Mr. CULVER. Mr. President, I hope that the Senate will agree to retain \$684 million in the State portion of general revenue sharing funds. Such action would be consistent with both the President's recommendations and the House-passed measure.

Mr. President, during my service in the House of Representatives, I was a cosponsor of the legislation which created revenue sharing and I have supported it ever since. The basic argument for revenue sharing—that the Federal tax system is a superior mechanism for efficiently raising funds while States, counties, and cities can better administer them to meet local priorities—has not lost validity. Nor has there been any diminishment in the useful contribution which revenue sharing makes toward meeting State commitments in education, health, transportation, and tax relief.

What have changed are the tactics and rhetoric concerning the desirable goal of bringing the federal budget into balance. The rhetoric persistently points to a cumulative surplus in State and local government coffers as evidence of laudable frugality and fiscal restraint. The deficits which have characterized the federal budget in recent years, in contrast, are cited as proof of extravagance and insensitivity to inflation on the part of Congress and the President.

The facts, of course, are very different. That the bulk of the State surplus is concentrated in a very few States, that it might well disappear if Federal accounting methods were used, that the latest projections show an emerging deficit in State and local budgets have all been mentioned on this floor and in other forums. Whether they have made much impact on the debate is open to serious question.

But the factor most relevant to the issue we are debating this morning is the degree to which Federal deficits and State and local surpluses reflect revenue transfers from the Federal to State levels. The \$6.85 billion in general revenue sharing—federally raised dollars used exclusively for State and local needs—is only the most obvious example. Approximately \$80 billion in grants in aid goes from the Federal Government to State and local units. Elimination of this cash flow would wipe out the Federal deficit overnight and allow us to make the superficially appealing claim to our constituents that we were paragons of fiscal virtue. It would, at the same time, have devastating effects on the national economy, wreak havoc on vital domestic commitments, and throw into disarray the fiscal systems of our State and local governments.

The Appropriation Committee's recommended \$684 million reduction in the State portion of general revenue sharing is, in my judgment, a predictable response to the movement by State legislatures to require a balanced Federal

budget by constitutional amendment. When the Iowa Legislature was considering such a resolution just a few months ago, I noted to some of its members that revenue sharing, which has been a popular and useful program in our State, was likely to be one of the first targets for a cut. That was not a threat; it was a conclusion that followed reasonably from the logic of an amendment insisting on a balanced Federal budget. It is instructive, I believe, that fuller reflection after passing a balanced budget constitutional amendment resolution led a majority of the members of the Iowa Senate to repudiate publicly that action.

Mr. President, if this amendment is accepted, Iowa will lose almost \$10 million which the Governor's office informs me is used largely for Iowa's homestead and agricultural land tax credits, high priority contributions to State property tax relief. With this amendment, the unpleasant choices are higher State taxes or an erosion of scarce operating funds.

Similar detrimental effects will be felt in other States. In some States, legislatures will have to come back into emergency session to rework budget plans. These States—and Iowa is among them—have completed action on their budgets. They have made reasonable assumptions based on the authorized levels of revenue sharing and the historical record of appropriations for that program. To force them to go back to the drawing boards at this late date is to invite fiscal chaos. The alternative is that the decision may have to be made for urgent needs to go unmet. I do not believe that these results are ones we should vote for.

In conclusion, Mr. President, I can understand what prompted the reduction in State revenue sharing funds recommended by the committee but I do not think the cut is in the interest of either State and local governments nor in the interest of the United States. I urge my colleagues to retain the full funding. ●

● Mr. STEVENSON. Mr. President, I oppose the amendment offered by the distinguished manager of the bill, Mr. PROXMIER. The amendment would reduce \$684 million from the portion of the general revenue sharing program allocated to State governments. Though I do not believe revenue sharing funds should be dispensed to State governments, I oppose the amendment because of the manner in which the reduction would be imposed.

Revenue sharing has been perceived as an entitlement program on which State and local governments could rely to finance a wide range of programs. While I believe revenue sharing is flawed in concept, the program has nevertheless been perceived as one immune from review in the appropriations process. To adopt the amendment of the Senator from Wisconsin would be to take an action both unprecedented and unexpected. Until this week, State governments had every reason to believe they would receive their full revenue sharing allocations for fiscal year 1980. Many States had prepared their budgets accordingly. A sudden reduction in the funds would require a

number of States to convene special legislative sessions in an attempt to alter their budgets. Hasty actions of this nature are rarely conducive to rational public policy.

Mr. President, I continue to oppose participation by the States in revenue sharing, and I intend to vote accordingly when the authorization for revenue sharing expires at the end of fiscal year 1980. I see no justification for increasing the Federal budget deficit in order to contribute to State budget surpluses. However, I do not favor reducing State revenue sharing funds now. To make a revenue sharing cut now would damage States which have relied in good faith on receipt of those funds during fiscal year 1980. ●

● Mr. WILLIAMS. Mr. President, I rise in opposition to this amendment cutting general revenue sharing funds.

The Congress specifically enacted this program as an entitlement in order to provide advance assurance to States and localities of the moneys they could depend on when planning their fiscal affairs.

The dilemma of my own State illustrates why we should not take this type of action on an entitlement program. New Jersey will, in fiscal 1980, run a budget surplus of less than 1 percent—if it receives its full allocation of revenue sharing funds. If we accept this amendment the State legislature will have to come back into special session to rewrite the 1980 budget. New Jersey will already suffer a loss of 1980 Federal revenues of about \$25 million because of our failure to continue the countercyclical antirecession assistance program, and of about \$40 million due to changes in the social security deposit regulations.

This amendment will reduce Federal aid to the State by an additional \$25 million. More than half of that money would ordinarily be allocated to local governments.

Mr. President, I believe that once we incur obligations for entitlement programs we should follow through on them, and not leave those who depend on these funds hanging in the lurch. Therefore, I oppose this amendment. ●

● Mr. CRANSTON. Mr. President, I will support the Proxmire amendment to cut \$684 million in general revenue sharing funds going to State governments.

It is not my intention to reduce any revenue sharing funds to county, city, and other local governments.

Unlike local governments, the states have full taxing powers. Their sources of revenue are many. Their needs can be met in ways far more equitable than by increasing property taxes—the primary source of local government revenue.

The States have been piggy-backing on the Federal deficit long enough. The Federal Treasury has been borrowing money and deepening the Federal deficit year after year while cash piles up in State treasuries.

Congress is not helping the States when it increases the deficit. The State governments are not immune from inflation. To the extent that an unbalanced budget contributes to inflation, it also

contributes to a long-range worsening of State finances. The effort to balance the Federal budget is forcing those who are best able to sustain the necessary cuts in Federal funds to do so. This must include the State governments.

The proposed cut is modest in terms of its overall impact on any State. It is far less than the \$2.3 billion cut I called for when I cosponsored S. 263 to eliminate completely the State share of general revenue early this year. ●

● Mr. CHAFFEE. Mr. President, I applaud Senator PROXMIER's vigilant and constant efforts to hold down the cost of Federal programs, but I must oppose his amendment to cut \$684 million from the general revenue sharing program.

This cut comes at a time when economic recession is a certainty and when, according to the National Governors Association, the States are projecting budget deficits for the rest of the year. If the Senator's amendment were adopted, the State of Rhode Island would lose \$3 million to \$4 million which it has already budgeted for the next fiscal year. And, Mr. President, like most other States, the Rhode Island Legislature has adjourned and would have to be reconvened to deal with this unexpected problem.

I am among the budget watchers in the Senate who look with dismay upon the proliferation in recent years of entitlement programs and State assistance programs provided by the Federal Government. But, Mr. President, by attacking the revenue sharing program, I believe we are attacking the wrong animal. Revenue sharing is the model we should be using for other fiscal assistance programs to provide the States a greater degree of flexibility to meet their own particular needs and priorities, whether in health, law enforcement, education or other public services. In fact, Mr. President, if we would apply the more flexible revenue sharing model to other areas of Federal assistance we would be much more effective in helping the States meet their needs, and as a result, I am confident that the Governors of our 50 States would be willing to forgo even more than \$684 million a year in Federal assistance. If we would do that, we could save more than the sum Senator PROXMIER seeks to save by his amendment.

As you know, Mr. President, later this year and next year the Finance Committee will be considering the reauthorization of the general revenue sharing program. Clearly, this would be the best time to study the ways in which we might reform the program. There have been suggestions that it would be better to target revenue sharing to the States and towns which have the more severe economic problems, rather than showering revenue sharing dollars on virtually every State government and municipality, regardless of need. This, too, could save the taxpayers a substantial sum of money. But I do not think the amendment offered today by the Senator from Wisconsin would be particularly constructive given our economic situation, and I will vote against it. ●

The PRESIDING OFFICER. The

question is on agreeing to the amendment.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUE), the Senator from Mississippi (Mr. STENNIS), and the Senator from Alabama (Mr. STEWART) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. BELLMON), the Senator from South Dakota (Mr. PRESSLER), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 31, nays 59, as follows:

[Rollcall Vote No. 227 Leg.]

YEAS—31

Bayh	DeConcini	Proxmire
Bentsen	Glenn	Ribicoff
Biden	Hart	Schmitt
Boren	Hatfield	Schweiker
Burdick	Helms	Simpson
Byrd	Humphrey	Stafford
Harry F., Jr.	Johnston	Stevens
Byrd, Robert C.	Metzenbaum	Stone
Cannon	Muskie	Talmadge
Chiles	Nelson	Young
Cranston	Nunn	

NAYS—59

Baker	Hatch	Morgan
Baucus	Hayakawa	Moynihan
Boschwitz	Heinz	Packwood
Bradley	Hollings	Pell
Bumpers	Jackson	Percy
Chafee	Javits	Pryor
Church	Jepson	Randolph
Cochran	Kassebaum	Riegle
Cohen	Kennedy	Roth
Culver	Laxalt	Sarbanes
Danforth	Leahy	Sasser
Dole	Levin	Stevenson
Domenici	Long	Tower
Durenberger	Lugar	Tsongas
Durkin	Magnuson	Wallop
Exon	Mathias	Warner
Ford	Matsunaga	Weicker
Garn	McClure	Williams
Goldwater	McGovern	Zorinsky
Gravel	Melcher	

NOT VOTING—10

Armstrong	Huddleston	Stewart
Bellmon	Inouye	Thurmond
Eagleton	Pressler	
Heflin	Stennis	

So Mr. PROXMIRE's amendment (No. 458) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SASSER addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, does the distinguished Senator wish me to yield to him?

Mr. SASSER. Will the distinguished majority leader yield for a 30-second amendment which, I am told, the managers of the bill will accept?

Mr. ROBERT C. BYRD. Mr. President, I yield for that purpose.

UP AMENDMENT NO. 459

(Purpose: To prohibit the use of appropriated funds to contract for plant care or watering services)

Mr. SASSER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. NELSON). The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. SASSER) proposes an unprinted amendment numbered 459.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following new section:

SEC. 410. No part of any appropriation for the fiscal year ending September 30, 1980, contained in this or any other Act shall be used to contract with private firms to provide plant care or watering services.

Mr. SASSER. Mr. President, I am offering an amendment that would prohibit Federal agencies from using appropriated funds to contract with private firms to provide plant care and watering services.

Mr. President, on February 21, 1979, the Legislative Branch Appropriations Subcommittee—which I chair—conducted a hearing on the fiscal year 1980 budget of the Copyright Royalty Tribunal. This is a small Federal agency employing only 11 people. The function of the agency relates to certain aspect of the new copyright law which went into effect on January 1, 1979.

During the course of the hearing, I had occasion to inquire into a proposed expenditure of \$2,000 for—and I quote—"other services, miscellaneous."

Mr. President, it was with some chagrin that I verified that this small agency—employing only 11 people—was spending eleven hundred dollars a year on—and you will not believe this—a plant care and watering service for their office plants: \$632 for the plants and \$468 a year for "maintenance."

At that time, Mr. President, I stated that I believe that almost any Government funds expended to purchase plants or to hire people to water them appears to be out of line.

Why not use homegrown plants? I water my own plants.

Subsequently, Mr. President, I contacted the General Accounting Office. I

requested a listing of Federal agencies contracting with private firms for acquiring and maintaining indoor office plants.

In response to my request, the GAO provided a list of 26 Federal agencies. These agencies had spent \$816,700 of taxpayers' funds during the period 1974 to 1978 on contracts with private firms—for acquiring and maintaining indoor office plants.

Mr. President, the average taxpayer from Tennessee pays \$2,000 in Federal income taxes a year.

I wonder how those families from Tennessee would feel—to know that an amount equal to the entire tax bill—paid by 100 Tennessee families—over a period of 4 years—had been used by their Government to contract with private firms for acquiring and maintaining indoor office plants for Federal employees.

Mr. President, I ask unanimous consent that the tabulation appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SASSER. Mr. President, I am aware that—from time to time—there are reports in the media that Congress is guilty of acquiring "free plants" from the Botanic Garden.

Before bringing the whole matter of the taxpayers paying for plants to the attention of my colleagues, I took up the Senate experience with the distinguished chairman of the Joint Committee on the Library (Mr. PELL) whose committee has jurisdiction over these matters. The joint committee staff subsequently took the matter up with the Architect of the Capitol, who has jurisdiction over the Botanic Garden. The Architect has reported that no "free" plants are given to Members and their staffs. However, some of the plants grown at the Botanic Garden are, indeed, loaned to the various offices of the Senate under procedures approved by the Joint Committee on the Library.

Whereas, under existing procedures established by the joint committee, approximately \$30 in plant material could be loaned to a Senate office in a year—this hardly compares with the expenditure of \$1,100 for one small Federal agency with only 11 people.

Mr. President, in the final analysis, the question comes down to "Should the taxpayers pay for office plants for Federal employees?"

Consequently, Mr. President, I am offering an amendment that would prohibit Federal agencies from using appropriated funds to contract with private firms to provide plant care and watering services.

With all the emphasis on cutting Federal spending to balance the budget, this certainly is one area where we can make progress. I am hopeful, Mr. President, that the distinguished manager of the bill will accept this amendment.

EXHIBIT 1

LISTING OF AGENCIES CONTRACTING WITH PRIVATE FIRMS FOR ACQUIRING AND MAINTAINING INDOOR OFFICE PLANTS DURING FISCAL YEARS 1974-77

Agency	1974	1975	1976	1977	Total	Agency	1974	1975	1976	1977	Total
Department of the Treasury	\$90,400	\$74,000	\$45,600	\$12,700	\$222,700	Department of Labor		\$5,300			\$5,300
Department of the Interior	200	900	53,300	54,000	108,400	Consumer Product Safety Commission	\$2,200	800	\$1,200	\$1,000	\$5,200
United States Postal Service	12,000	18,000	24,500	18,900	73,400	Small Business Administration			1,900	2,000	3,900
Department of Energy	3,500	4,500	34,200	30,600	72,800	Department of Housing and Urban Development			2,500	1,300	3,800
Department of Transportation	5,300	16,400	16,000	15,900	53,600	National Aeronautics and Space Administration		600	2,100		2,700
Veterans' Administration		14,300	6,300	24,800	45,400	Federal Trade Commission		800	400	900	2,100
Department of Health, Education, and Welfare	4,400	13,700	12,700	8,800	39,600	Federal Mediation and Conciliation Service				1,500	1,500
Environmental Protection Agency	1,600	1,400	7,300	19,000	29,300	Federal Election Commission		500	300	500	1,300
General Services Administration	10,000	1,100	9,500	8,400	29,000	District of Columbia	1,000				1,000
Department of Agriculture		13,600	3,900	11,100	28,600	Pennsylvania Avenue Development Corporation		100			100
Department of Justice	4,300	2,400	8,600	8,500	23,800						
Federal Reserve System			4,000	13,500	17,500						
Department of Commerce	2,600	2,600	2,700	6,100	14,000						
Inter-American Foundation	2,500	2,600	4,400	3,500	13,000						
Farm Credit Administration	1,900	2,100	3,000	2,500	9,500						
Federal Deposit Insurance Corporation	400	1,200	1,900	5,700	9,200						
						Total	142,300	176,900	246,300	251,200	816,700

Mr. PROXMIRE. Will the Senator give us some idea what savings will be involved in this amendment, roughly?

Mr. SASSER. I will advise the distinguished manager of the bill that—based on past experience—this would save approximately \$200,000 per year.

Mr. PROXMIRE. Would this amendment apply to activities that would be conducted in city parks, and so forth?

Mr. SASSER. No; this would be activities which are conducted in the offices of various agencies wherein they contract with a private plant service to come by and water their plants.

Mr. PROXMIRE. I have no objection to the amendment, but I have not had a chance to discuss it with the Senator from Maryland, who is the ranking minority member of the subcommittee.

Mr. MATHIAS. Mr. President, I have not had the opportunity to review the matter carefully, either. I would not want to do anything that would impose upon the rights of cities, States, or counties to maintain their parklands. If it is limited, as the Senator says, to simply offices, I would see no great difficulty with it, but I think the legislative record ought to be clear.

Mr. SASSER. I would point out that it applies only to Federal agencies, and I was under the impression that it had been discussed with the distinguished manager of the bill, and he was agreeable to accepting it.

Mr. MATHIAS. It would not prevent the distinguished Senator from West Virginia, the Senator from Wisconsin, or the Senator from Maryland from watering the plants in our offices, would it?

Mr. SASSER. No; because the amendment goes only to contracts with private firms.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. PROXMIRE. I yield to the Senator from West Virginia.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the HUD appropriation bill now be temporarily laid aside, and that the Senate proceed to the consideration of Calendar Order No. 272, H.R. 4580, the District of Columbia appropriations bill, with the following provisos: That there be a time

limitation on the District of Columbia appropriation bill of 1 hour, to be equally divided between and controlled by the Senator from Vermont (Mr. LEAHY) and the Senator from Maryland (Mr. MATHIAS); that there be a time limitation on any amendment of 30 minutes; that there be a time limitation on any debatable motion or appeal or point of order, if such is submitted to the Senate, of 10 minutes; that on an amendment by Mr. HELMS dealing with abortion, there be an up or down vote; that that amendment not be subject to amendment; and that the agreement be in the usual form as to the division and control of time; and furthermore, that the D.C. appropriation bill not be subject to being pulled down by a call for the regular order during the consideration of the D.C. appropriation bill.

Mr. STEVENS. Mr. President, reserving the right to object, will the Senator from West Virginia leave his request pending and allow me 3 or 4 minutes to check with one Member on this side?

Mr. ROBERT C. BYRD. Yes. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I withdraw my reservation of objection to the time agreement. I have no objection.

Mr. ROBERT C. BYRD. I thank the distinguished assistant minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4580) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. MATHIAS. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on final passage of this measure.

The PRESIDING OFFICER. Is there

objection? Without objection, it is so ordered.

Mr. MATHIAS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. Mr. President, I am pleased to have the opportunity to present to the Senate the committee recommendations on the District of Columbia Appropriations Act for fiscal year 1980. The recommendations are the result of 9 days of hearings to consider the city's request and the views of many citizens and taxpayers that wished to be heard. In addition to reviewing the original request contained in the President's budget, the committee also considered an \$86.5 million budget amendment transmitted to Congress on May 31.

As you know, Mr. President, the lateness of the city's budget transmittal in the past has made it nearly impossible to consider enacting an appropriation bill in a timely manner. One reason that we are able to be here today with a bill is the fact that last year the committee insisted on a general provision establishing a due date of February 1 for submission of the city's budget to Congress. That date was met for the fiscal year 1980 budget, and because it was the committee has been able to act in a timely manner.

The District of Columbia's budget request for fiscal year 1980 is \$1,657,046,000, of which \$1,480,505,700 is for operating expenses and the remaining \$176,540,300 is for capital improvements. The committee analyzed these requests in great detail and the budget we are recommending is fully balanced and provides full funding for all the basic city needs. I would also point out that while the target ceiling in the first concurrent resolution for budget authority for the District of Columbia was \$500 million, the total Federal funds recommended by the committee is \$385 million, or \$115 million less than the budget ceiling.

There are two major reasons why the committee is able to recommend a Federal funds total less than the target ceiling. First, the President's budget included a request of \$317 million for the Federal payment, \$17 million of which was subject to authorization. To date, no authorization increase has been proposed in the Senate. Accordingly, the commit-

tee sought the advice of the Mayor as to where the budget should be reduced by \$17 million. In addition, the city will be able to fund some of the programs in fiscal year 1980 with cash balances remaining from previous years, thereby further reducing the need for a large Federal payment. These actions can be taken while providing for all the basic needs of the city and doing so with a fully balanced budget.

For fiscal year 1980 the committee recommends a total budget of \$1,561,110,200, of which \$1,395,754,900 is for operating expenses and \$165,355,300 is for the capital improvements program. This represents an increase of \$60,008,500 over the level provided last year for operating expenses and an increase of \$88,140,300 over the level for capital outlay for a total increase of \$148,148,800 compared with the level provided in fiscal year 1979. Although the recommended budget totals are higher than the House passed bill, it should be pointed out that the Senate committee has considered the \$86.5 million budget amendment not considered by the House.

Instead of taking the Senate's time in going over each and every detail of the bill, I would like to provide a brief summary. The recommended Federal payment for fiscal year 1980 is \$249,121,500, a reduction of nearly \$68 million below the amount requested. As stated earlier, \$17 million of the amount requested is not authorized, and further reductions were possible because of anticipated cash balances remaining at the end of the current fiscal year. This level for the Federal payment is only \$3.4 million less than the amount provided in the current year. At the same time, it is the level necessary to provide for the basic needs of the city.

One of the major items the committee has included in its recommendation is funding for the implementation of a comprehensive financial management system for the District of Columbia. After years of planning, the efforts of the temporary commission on financial oversight for the District of Columbia and the D.C. Office of Financial Management will implement such a system on the first of October of this year. For the first time, the District's financial condition will be determined on a comprehensive basis. It is a much needed improvement, and Senator EAGLETON has worked hard over the years to see that it is

done. The bill provides 44 permanent positions, 50 temporary positions, and \$5.4 million to insure that the system is properly implemented during the critical first-year period.

The committee has recommended additional funding for the advisory neighborhood commission program and for the D.C. Commission on the Arts and the Humanities. The levels recommended are \$150,000 over the House marks for the ANC program and \$190,000 over the House mark for the Arts and Humanities Commission.

The recommendation includes funding for a summer jobs for youth program for the summer of 1980 as well as funding to initiate a jobs program for adults with dependents. The Committee plans to conduct hearings later this year to review the success of this year's summer youth jobs effort, and bill language has been included making the funding for next year's effort contingent upon approval of a plan for proposed expenditures by both the House and Senate Appropriations Committees.

Mr. President, there are several significant areas in which the committee is in agreement with the House. The first action relates to the city's police and fire retirement program. Although some improvement has been made in the past year, significant problems still exist. The committee believes that more could be done on the part of the city to correct serious deficiencies in administration of the disability retirement program. When compared with 15 other major U.S. cities, the number of disability retirements in the District rates poorly. Overall, disability retirements averaged 36 percent among the 15 cities compared with 79 percent in the District of Columbia. Accordingly, the committee has agreed with the House recommendation to reduce funds available for disability retirements by \$5 million and has directed the city to implement needed administrative reforms.

Second, there is the matter of the welfare program in the District of Columbia. Mr. President, the committee was shocked to learn in hearings that the city had diverted employees assigned to uncover welfare fraud to other, less important work. Several years ago, the Congress specifically allowed 45 positions and related funding solely for the purpose of investigating welfare fraud

cases. The city apparently thought that these positions could be better used elsewhere. How much the city lost by not being able to identify and recover erroneous payments is indeterminable. The committee has directed that these positions be used for the purpose intended by Congress. In addition, the additional \$5.7 million requested for welfare payments has been denied, in agreement with the House.

Finally, Mr. President, the committee has deleted two general provisions added on the House floor related to funding for abortions. Due to the unique character of the District of Columbia, the annual appropriation bill includes not only Federal funds, but also locally generated revenues. Before the city can spend one dollar of its property tax, or its sales tax, or its local income tax, the Congress must appropriate the money. The provisions added by the House would deny the District's right to determine if its own money should be spent on abortions. Mr. President, the Congress has no right to make such a determination for any of the 50 States, and would never attempt to do so. The same argument, that of interfering with the rights of the States, should apply here. We have abortion restrictions on Federal funds granted through the Department of Health, Education, and Welfare, and these restrictions apply to the District as well as any of the States. These provisions are not an attempt to place the same restrictions on the District, but rather an attempt to place additional restrictions on the use of funds. On that basis, the Senate Appropriations Committee rejected a proposed amendment by a 2-to-1 margin.

Mr. President, I would at this point like to thank Senator MATHIAS, the ranking minority member of the subcommittee, for his excellent assistance and support in preparation of these recommendations. I would also be remiss if I did not compliment the committee staff who worked long, hard hours in an effort to get this bill before the Senate today: John Gnorski, the subcommittee clerk; Betty Hoem, his administrative assistant; and James Bond, the minority counsel.

Mr. President, I ask unanimous consent that a table detailing the committee recommendations be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1979 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1980

Agency and item (1)	New budget (obligational) authority fiscal year 1979 (2)	Budget estimates of new (obligational) authority fiscal year 1980 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended by the Senate committee (5)	Senate committee recommendation compared with—		
					New budget (obligational) authority fiscal year 1979 (6)	Budget estimates of new (obligational) authority fiscal year 1980 (7)	House allowance (8)
TITLE I—TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF THE DISTRICT OF COLUMBIA							
Salaries and expenses.....	\$7,500,000	\$500,000	\$500,000	\$500,000	—\$7,000,000		
TITLE II—DISTRICT OF COLUMBIA FEDERAL FUNDS							
Federal payment.....	252,565,000	317,000,000	191,500,000	249,121,500	—3,443,500	—\$67,878,500	+\$57,621,600
Payment in lieu of reimbursement for water and sewer services to Federal facilities.....	12,200,000	10,500,000	10,300,000	10,500,000	—1,700,000		+200,000
Federal payment to retire RFK Stadium bonds.....	9,900,000				9,900,000		
Loans for capital investment.....		159,391,700	125,725,700	125,000,000	+125,000,000	—34,391,700	—725,700
Total, Federal funds to District of Columbia.....	274,665,000	486,891,700	327,525,700	384,621,500	+109,956,500	—102,270,200	+57,095,800

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1979 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1980—Continued

Agency and item (1)	New budget (obligational) authority fiscal year 1979 (2)	Budget esti- mates of new (obligational) authority fiscal year 1980 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended by the Senate committee (5)	Senate committee recommendation compared with—		
					New budget (obligational) authority fiscal year 1979 (6)	Budget esti- mates of new (obligational) authority fiscal year 1980 (7)	House allowance (8)
DISTRICT OF COLUMBIA FUNDS OPERATING EXPENSES							
Governmental direction and support.....	(\$66,397,900)	(\$70,983,200)	(\$67,399,700)	(\$64,879,000)	(-\$1,518,900)	(-\$6,104,200)	(-\$12,520,700)
Economic development and regulation.....	(15,070,000)	(25,673,700)	(13,810,900)	(16,009,700)	(+939,700)	(-9,664,000)	(+2,198,800)
Public safety and justice.....	(291,569,100)	(303,024,900)	(293,247,700)	(296,177,800)	(+4,608,700)	(-6,847,100)	(+2,930,100)
Public education system.....	(309,564,000)	(326,162,300)	(310,596,700)	(317,379,500)	(+7,815,500)	(-8,782,800)	(+6,782,800)
Human support services.....	(335,498,700)	(374,156,900)	(329,110,500)	(350,432,400)	(+14,933,700)	(-23,724,500)	(+21,321,900)
Transportation services and assistance.....	(83,797,900)	(95,717,600)	(91,280,100)	(92,858,600)	(+9,060,700)	(-2,859,000)	(+1,578,500)
Environmental services and supply.....	(76,273,200)	(81,519,200)	(77,137,800)	(79,206,100)	(+2,932,900)	(-2,313,100)	(+2,068,300)
Personal services.....	(34,610,600)	(81,610,600)	(47,354,500)	(58,354,500)	(+23,743,900)	(-23,256,100)	(+11,000,000)
Repayment of loans and interest.....	(120,400,000)	(121,657,300)	(120,457,300)	(120,457,300)	(+57,300)	(-1,200,000)	
Demonstration expenses.....	(2,565,000)				(-2,565,000)		
Total, operating expenses.....	(1,335,746,400)	(1,480,505,700)	(1,350,395,200)	(1,395,754,900)	(+60,008,500)	(-84,750,800)	(+45,359,700)
CAPITAL OUTLAY							
Capital outlay.....	(77,215,000)	(176,540,300)	(132,830,200)	(165,355,300)	(+88,140,300)	(-11,185,000)	(+32,525,100)
Total, District of Columbia funds.....	(1,412,961,400)	(1,657,046,000)	(1,483,225,400)	(1,561,110,200)	(+148,148,800)	(-95,935,800)	(+77,884,800)
RECAPITULATION							
Grand total, new budget (obligational) authority.....	282,165,000	487,391,700	328,025,700	385,121,500	+102,956,500	-102,270,200	+57,095,800
Consisting of:							
Temporary Commission on Financial Oversight of the District of Columbia.....	7,500,000	500,000	500,000	500,000	-7,000,000		
District of Columbia:							
Federal funds to the District of Columbia.....	274,665,000	486,891,700	327,525,700	384,621,500	+109,956,500	-102,270,200	+57,095,800
District of Columbia Funds.....	(1,412,961,400)	(1,657,046,000)	(1,483,225,400)	(1,561,110,200)	(+148,148,800)	(-95,935,800)	(+77,884,800)

Mr. LEAHY. That summarizes the committee action on this bill. Before I yield to the distinguished ranking minority member (Mr. MATIAS), who has been, as always, extraordinarily helpful, I ask unanimous consent to correct one matter.

In the printing of the committee amendments, a minor error was made. On page 7, line 20, the amount of the Senate amendment should be \$18,691,800 instead of \$18,191,800, as printed. I ask unanimous consent that that error be corrected.

The PRESIDING OFFICER. Without objection, it will be corrected.

Does the Senator wish to request that the committee amendments be considered en bloc?

Mr. LEAHY. I was just about to make that request. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc for the purpose of further amendment, and that the bill as thus amended be considered as original text for the purpose of further amendment, provided that no point of order shall be waived by reason of such agreement.

Mr. HELMS. Mr. President, reserving the right to object, and I shall not object, the previous unanimous-consent request propounded by the distinguished majority leader did not include the provision that no point of order would lie in connection with my amendment.

Mr. LEAHY. Mr. President, I make that request, that no point of order lie by reason thereof.

Mr. HELMS. I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 25, strike "\$191,500,000" and insert "\$249,121,500";

On page 3, line 4, strike "\$10,300,000" and insert "\$10,500,000";

On page 3, line 14, strike "\$125,725,700" and insert "\$125,000,000";

On page 3, line 24, strike "\$67,399,700" and insert "\$64,879,000";

On page 4, line 2, insert the word "and" immediately after the word "Mayor,"

On page 4, line 3, strike "and \$300 for each member of the Council of the District of Columbia";

On page 4, line 23, strike "\$13,810,900" and insert "\$16,009,700";

On page 5, line 6, strike "\$293,247,700" and insert "\$296,177,800";

On page 6, line 5, strike "\$310,596,700" and insert "\$317,379,500";

On page 6, line 8, strike "\$230,975,300" and insert "\$236,540,700";

On page 6, line 10, strike "\$47,115,200" and insert "\$48,011,600";

On page 6, line 11, strike "\$9,639,700" and insert "\$9,770,700";

On page 6, line 12, strike "\$161,500" and insert "\$351,500";

On page 7, line 7, strike "\$329,110,500" and insert "\$350,432,400";

On page 7, line 20, strike "\$20,919,500" and insert "\$18,691,800";

On page 7, line 23, after "compensation" insert a colon and the following:

Provided further, That none of the funds appropriated for the summer youth jobs program shall be obligated until the Subcommittees on the District of Columbia Appropriations of the House of Representatives and the Senate have approved a plan submitted by the Mayor and the City Council detailing proposed expenditures.

On page 8, line 10, strike "\$91,280,100" and insert "\$92,858,600";

On page 8, line 19, strike "\$77,137,800" and insert "\$79,206,100";

On page 9, line 7, strike "\$47,354,500" and insert "\$58,354,500";

On page 10, line 5, strike "\$132,830,200" and insert "\$165,355,300";

On page 10, line 5, strike "\$4,906,700" and insert "\$5,288,100";

On page 14, line 23, strike "37,886" and insert "38,230";

On page 15, line 4, strike "33,659" and insert "34,003";

On page 15, line 5, strike "9,652" and insert "9,694";

On page 16, line 11, following the period, strike through and including the word "pertains" in line 18;

On page 17, beginning with line 7, strike through and including line 12.

Mr. LEAHY. Mr. President, I had earlier sent out a list asking unanimous consent for floor privileges for two staff members. Apparently there has been some confusion at the desk outside. Therefore, I ask unanimous consent that Martin Franks and Harry Jaffe of my staff have access to the floor throughout all matters involved in the consideration of the District of Columbia appropriations measure.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. LEAHY. As soon as I get that unanimous consent request agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, the Senate is now considering H.R. 4580, which appropriates funds for the District of Columbia for fiscal year 1980. The bill is fiscally responsible and I support it.

I will just take a moment to point out the budgetary implications of the bill.

Mr. President, H.R. 4580, as reported, provides \$0.4 billion in new budget authority. Outlays associated with the bill, including outlays from prior-year appropriations for these programs, also total \$0.4 billion.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays allocated to the committee under the first budget resolution. The Appropriations Committee has allocated \$0.5 billion in budget authority and \$0.5 billion in outlays to the D.C. Subcommittee.

The funds provided by H.R. 4580 as reported, plus prior action, put the subcommittee under its 302(b) allocations by \$0.1 billion in both budget authority and outlays. I congratulate the subcommittee and its chairman, Senator LEAHY, for staying within its allocation.

Mr. President, I ask unanimous consent that a table showing the relationship of this bill to the subcommittee allocation be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

H.R. 4580—DISTRICT OF COLUMBIA APPROPRIATIONS BILL, FISCAL YEAR 1980—RELATIONSHIP TO SUBCOMMITTEE'S SEC. 302(b) ALLOCATION

[In billions of dollars]

	Budget authority	Outlays
Subcommittee's sec. 302(b) allocation.....	0.5	0.5
Action completed.....		(1)
H.R. 4580, as reported.....	.4	.3
Amount over (+) or under (-) subcommittee allocation.....	-.1	-.1
Possible later requirements: None anticipated.....		
Possible amount over (+) or under (-) subcommittee allocation.....	-.1	-.1

¹ Less than \$50,000,000.

Note: Details may not add to totals due to rounding.

Mr. MUSKIE. I also note that the bill has been reported early enough to permit enactment of the District of Columbia budget before the fiscal year begins. That is an important benefit of the timetable specified under the congressional budget process.

Although the subcommittee is likely to be below its allocation, I want to remind the Senate of the point I made when previous fiscal 1980 appropriation bills were before us. It appears that the full Appropriations Committee could exceed the amount allocated to it under the first budget resolution by about \$6 billion in budget authority and \$5 billion in outlays when all the regular appropriation bills and expected supplemental requirements are taken into account.

At the risk of belaboring the point, I note again that, taken altogether, these additional appropriations could increase the fiscal 1980 deficit by as much as \$4 to \$5 billion. In fact, the combination of these additional appropriations and the apparent economic slowdown threaten to drive the fiscal 1980 deficit higher than that of fiscal 1979.

Mr. President, as I have said before, I recognize that the failure of other committees to achieve savings in appropriated programs, uncontrollable increases in some programs, and new Presidential energy initiatives, are beyond the control of the Appropriations Committee. But I again urge the Senate to make appropriate reductions in future bills to avoid a significant increase over the first budget resolution targets. I also urge the Senate conferees on this bill to carefully consider the arguments of the House conferees for additional restraint in the Federal payment to the District of Columbia.

In conclusion, Mr. President, I repeat that I intend to vote in favor of H.R.

4580 as reported. I urge my colleagues to do likewise.

I congratulate the floor manager and the ranking minority member on bringing to the floor an appropriation bill that fits within the budget requirements.

Mr. LEAHY. I thank the distinguished chairman of the Budget Committee. I yield to the distinguished ranking minority member (Mr. MATHIAS).

Mr. MATHIAS. I thank the chairman of the committee, the distinguished Senator from Vermont (Mr. LEAHY), not only for his remarks here today but for his continuing interest in the problems of the District of Columbia. He leads this subcommittee with thoroughness and fairness, and I think it would not be inappropriate to add, courage. I look forward to our continuing work together on matters that deal with the District of Columbia.

Mr. President, I will not deal at any great length on the points of this bill except to note that while the bill appears to be over the sum appropriated by the other body, it must be pointed out that the Senate was faced with \$86 million in budget amendments which were not considered by the House. Therefore, we must necessarily have had to deal with problems that were not before the other body.

Second, the recommendations contained in this bill are, in fact, \$113 million under the District of Columbia's allocation for budget authority, and \$121 million under the allocation for outlays. So, as the Senator from Maine, the chairman of the Budget Committee, has just pointed out, we have done our best to observe the principles of fiscal prudence here. It is, in fact, \$102,270,200 below the budget estimate.

So by all the various tests of fiscal prudence, I think this budget is a lean one and I hope it is an adequate one.

The committee is recommending added resources to various offices in line with the appeals we have had from Mayor Barry and from the president of the City Council, Mr. Dixon. We are recommending all the funds that were requested for the D.C. General Hospital for, I believe, reasons which are obvious, and, likewise, we have provided the Department of Human Resources with the funds necessary to adequately carry out those vital programs.

The one thing that I would mention in particular concerns a recommendation for funding summer jobs for youth programs in the summer of 1980, not the current summer, but next year. I want to thank the chairman for planning to conduct hearings later this year to review the operation of the current program and to see what changes, if any, may be necessary. We ought not to get again into the kind of situation we found ourselves in this year when we were attempting to fund the summer jobs program when the temperature was rising, when the spring flowers had not actually only bloomed but had faded and we were really into the summer. That creates an atmosphere of uncertainty which we believe defeats the whole purpose of the summer jobs program.

I am happy that the committee will recommend full funding of the summer jobs program, and that bill language has

been included which conditions funding upon approval by both the House and Senate Appropriations Committees.

Mr. President, I want to take particular note of the contributions which have been made to this bill by Members of the Senate staff, without whom we would have great difficulty in dealing with the bill as efficiently and as effectively as we have.

Mr. President, I reserve the remainder of my time.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from Maryland. I should say that I am also appreciative of the staff. Also, the matter of the summer jobs program could not possibly have gotten through as quickly as it did in the Senate without the strong support of the Senator from Maryland. I look forward to working with him in reviewing the program.

Mr. President, I understand that our distinguished colleague from North Carolina has an amendment. There is time reserved on that. I will reserve the remainder of my time and yield to the Senator from North Carolina.

UP AMENDMENT NO. 460

(Purpose: To conform funding of abortions in the District of Columbia to those funded under the Medicaid program)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows: The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment No. 460:

On page 17, line 7, insert the following: "SEC. 220. None of the funds appropriated under this Act shall be used to pay for abortions for which Federal funds are not available under the Medicaid program."

Mr. HELMS. Mr. President, again this month it is necessary for the Senate to consider the use of taxpayers' money to finance the intentional destruction of innocent human life. It is nothing less than a scandal that last year there were 30,000 abortions performed in the Nation's Capital. Among residents of the District of Columbia there were 13,000 abortions performed. At the same time there were only 10,000 children born in this city. Among residents there were 130 percent more abortions than live births.

Mr. President, when will this discretionary killing of unborn children by means of abortion be ended? Thirty thousand abortions per year cannot by any stretch of the imagination be described as medically necessary abortions or abortions to save the life of the mother. These are simply convenience abortions.

Now it may very well be that there is some feeling that if the Federal Government is going to promote a policy of abortion on demand through the use of taxpayers' money that the District of Columbia is a good place to begin. But, Mr. President, a life is a life. And this Senator is going to fight just as hard for the right to life of children in the District of Columbia as he is going to fight for these children in other parts of this country.

Those of us who have continued to fight for the Hyde amendment in the House and the Helms amendment in the Senate continue to be told what a bargain abortions are for the poor. It is repeatedly said that abortions are the most efficient and effective way of dealing with the welfare problems which confront the District of Columbia. Even Albert Russo, Director of Human Resources for the District of Columbia, has reminded us of how much cheaper it is to pay for abortion rather than child care for the poor.

The basic implication of that argument is clear. It says, in other words, it is cheaper to the State to kill the unborn children of the poor than to let them be born.

Rev. Richard Neuhaus has been an outspoken critic of what he describes as "waging war on the poor" by means of abortion. Some of my colleagues may remember that Reverend Neuhaus was a founder of Clergy and Laity Concerned Against the War. He has written:

A new twist in the debate is that pro-abortionists are becoming more candid about the usefulness of abortion in limiting the number of poor people in America. For a long time, Black leaders such as Jesse Jackson and Dick Gregory have contended that abortion on demand is a "genocidal" program aimed at Black America.

This Senator is going to be consistent in the defense of innocent human life wherever found.

Mr. LEAHY. Mr. President, I understand the concern of my colleague from North Carolina, but I will oppose this amendment, as I did a similar amendment in the committee markup. I would suggest to my friends and colleagues in the Senate that we are not dealing with the abortion question, as such, but basically what would be a States' rights question if it would fall any place but the District of Columbia.

This body and the other body voted for home rule, albeit a limited and hybrid type of home rule but home rule nonetheless, for the District of Columbia. Last year, we also went further and voted in this body, and in the other body, by the requisite constitutional number, for a constitutional amendment to give representation in the Congress to the District of Columbia.

Basically, I do not in any way fault the intentions of my distinguished colleague from North Carolina in this amendment. Essentially, this amendment would tell the District of Columbia that they cannot use their money for abortions, money they raised from the sales tax, from the corporate tax, from whatever source. Except for the anomaly of the home rule charter, I see no difference in that than for us to have an amendment here to say that the legislature of the State of Vermont could not determine how it would spend the money it collected from Vermonters for purposes within the borders of Vermont determined by the Vermont Legislature.

Basically, that is what we would be saying to the District of Columbia, that they could not determine how to spend their own money. They are restricted in medicare and medicaid funds by the

same law which restricts the State of Wisconsin, the State of Vermont, or any other State in the use of medicare and medicaid funds on abortion. Those restrictions will apply no matter what we do today. Those restrictions will apply to medicaid funds used within the District of Columbia.

I would oppose this amendment on the basis that it interferes with the home rule rights of the District of Columbia. Aside from any other reason I might oppose it, I think that is justification enough to defeat it.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RIEGLE. Will the Senator yield?

Mr. LEAHY. Yes.

Mr. RIEGLE. I must say to my friend from North Carolina I am astonished to see him offer an amendment which would attempt to dictate, which is what this does, dictate to a State or local unit of government, because it runs contrary to virtually everything else I have seen him try to do. I must say I am having a hard time reconciling because I do not think it is philosophically consistent with position after position after position that I have seen the Senator take. I, frankly, am very reluctant to see the Federal Government intrude in the decisions that I think are properly State or local decisions, whether it is in the areas of educational policy or whether it is the question of moneys that other jurisdictions might choose to spend on matters as sensitive as abortion, or anything else. How the Senator can, on one day, come in and take such a strong position against Federal intervention and, the very next day, be in here arguing for, in a sense, a very direct intrusion by the Federal Government is really beyond me. I would be opposed to the Senator's amendment, in part, for that reason. I hope that maybe, in the course of his comments, he can help at least this Senator understand how to make sense out of what I really think is a contradiction that just befuddles me.

Mr. HELMS. Mr. President, I yield myself such time as I may require. I shall be glad to try to make the Senator understand. I may not be successful.

In the first place, the District of Columbia is not a State, it is unique in one sense that the Senator should bear in mind: No other city, no other unit of government in the United States, has its budget reviewed by Congress.

I expected, Mr. President, that the question of home rule would be brought up by those who oppose this amendment, and what I am about to say I say with all deference to and respect for those who differ with me.

If the Senator from Michigan is going to be consistent, then he has to go through this entire bill and strike out a lot of things. The fact is that this bill contains page after page of restrictions approved by the committee, which makes similar limitations on the use of these funds. If the Senator wants some examples, section 205 reads:

Appropriations in this title shall not be used for . . . the installation of meters in taxicabs.

Where did the Senator get the authority to do that? Why did he not respect home rule on that? The Senator from North Carolina is saying that the preservation of human life is a lot more important than a meter in a taxicab.

Mr. LEAHY. If the Senator will yield, I point out that provision has been included in this bill for several years. I should be happy to entertain an amendment to take it out.

Mr. HELMS. I leave that to the Senator's good judgment.

Mr. RIEGLE. I would cosponsor that amendment.

Mr. HELMS. I am simply saying that the arguments based on home rule do not hold water.

Mr. President, section 206 reads: "Appropriations in this title shall not be available for the payment of rates for electrical current for street lighting in excess" of congressionally set limits.

Section 210 reads: "No part of any funds appropriated by this title shall be used to pay compensation" for chauffeurs other than those for the Mayor, Fire Chief and Chief of Police.

These are just some of the restrictions contained in this bill which are similar in nature to the pending amendment.

Mr. President, why is it that the principle of home rule—which has risen to such lofty heights—does not bar the committee from regulating the most minute matters such as the operation of D.C. taxicab meters, electrical rates for street lighting and the number of chauffeurs government officials may have?

If the principle of home rule cannot tolerate any exception, then all of these provisions should be struck from the bill.

How can we say: Yes, we have the power and responsibility to regulate taxicabs and chauffeurs, but we are powerless to affirm the basic, fundamental responsibility of Government—the protection of innocent human life?

Do not let the issue of home rule be used as a smokescreen to hide the reality of the discretionary killing of thousands of innocent unborn children, Mr. President.

The problem is that the Federal contribution to the D.C. budget is so commingled with district revenues that a limitation restricted only to the Federal contribution is merely the illusion of a restriction.

Mr. President, there is no inconsistency whatsoever. I am delighted to hear the affirmation of States' rights by my friend from Michigan. I look forward to having him vote with us on questions that truly address themselves to States' rights in matters of future legislation. In this case, Congress has the authority and, I think, the duty to take the action contemplated by this amendment.

Mr. President, the yeas and nays have been ordered on the amendment, is that correct?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. LEAHY. Mr. President, I am will-

ing to yield back the remainder of my time.

Mr. HELMS. I shall yield back the remainder of my time after I say to my friend, the distinguished Senator from Vermont that I deeply appreciate his cooperation in this matter, even though I know he is opposed to it. I am grateful to him.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.
Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUBLESTON), the Senator from Hawaii (Mr. INOUE), the Senator from Louisiana (Mr. LONG), and the Senator from Alabama (Mr. STEWART) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. BELLMON), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 34, nays 55, as follows:

[Rollcall Vote No. 228 Leg.]

YEAS—34

Biden	Ford	McClure
Boren	Garn	Melcher
Boschwitz	Goldwater	Proxmire
Cannon	Hatch	Randolph
Church	Hatfield	Roth
Danforth	Helms	Schweiker
DeConcini	Humphrey	Stennis
Dole	Jensen	Stone
Domenici	Johnston	Wallop
Durenberger	Kassebaum	Zorinsky
Durkin	Laxalt	
Exon	Lugar	

NAYS—55

Baker	Hayakawa	Pell
Baucus	Heinz	Percy
Bayh	Hollings	Pryor
Bentsen	Jackson	Ribicoff
Bradley	Javits	Riegle
Bumpers	Kennedy	Sarbanes
Burdick	Leahy	Sasser
Byrd	Levin	Schmitt
Harry F., Jr.	Magnuson	Stafford
Byrd, Robert C.	Mathias	Stevens
Chafee	Matsunaga	Stevenson
Chiles	McGovern	Talmadge
Cochran	Metzenbaum	Tower
Cohen	Morgan	Tsongas
Cranston	Moynihan	Warner
Culver	Muskie	Welcker
Glenn	Nelson	Williams
Gravel	Nunn	Young
Hart	Packwood	

NOT VOTING—11

Armstrong	Huddleston	Simpson
Bellmon	Inouye	Stewart
Eagleton	Long	Thurmond
Hefflin	Pressler	

So Mr. HELMS' amendment (UP No. 460) was rejected.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, the distinguished Senator from Missouri (Mr. EAGLETON) is currently in his home State on important business. I have discussed at some length the matter of adding an amendment to the District of Columbia bill, the amendment that eventually was proposed by Mr. HELMS.

I wish to announce that were Senator EAGLETON here, he would have voted in favor of the Helms amendment.

UP AMENDMENT NO. 461

Mr. ROTH. Mr. President, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 461.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, strike all after the enacting clause and insert the following:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia for the fiscal year ending September 30, 1980, and for other purposes, namely:

TITLE I—TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF THE DISTRICT OF COLUMBIA

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Act creating the Temporary Commission on Financial Oversight of the District of Columbia (Public Law 94-399), \$500,000, which shall be available until expended: *Provided*, That the Temporary Commission on Financial Oversight of the District of Columbia shall have the power to appoint, fix the compensation of, and remove an Executive Director and additional staff members without regard to chapter 51, subchapters III and VI of chapter 53, and chapter 75 of title 5, United States Code, and those provisions of such title relating to the appointment in the competitive service. For purposes of pay (other than pay of the Executive Director) and employment benefits, rights, and privileges, all personnel of the Commission shall be treated as Congressional employees. The Executive Director may be paid compensation at a rate not to exceed the rate prescribed for level IV of the Federal Executive Salary Schedule.

TITLE II—DISTRICT OF COLUMBIA

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For payment to the District of Columbia for the fiscal year ending September 30, 1980, \$191,500,000, as authorized by the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code 47-2501d); and \$10,300,000 in lieu of reimbursements for charges for water and water services and sanitary sewer services furnished to facilities of the United States Government as authorized by the Act of May 18, 1954, as amended (D.C. Code 43-1541 and 1611).

LOANS TO THE DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY

For loans to the District of Columbia, as authorized by the District of Columbia Self-

Government and Governmental Reorganization Act, Public Law 93-198, as amended, \$125,725,700, which together with balances of previous appropriations for this purpose, shall remain available until expended and be advanced upon request of the Mayor.

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided:

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, \$67,399,700, of which \$300,000 shall be payable from the revenue sharing trust fund: *Provided*, That not to exceed \$2,500 for the Mayor, \$2,500 for the Chairman of the Council of the District of Columbia and \$300 for each member of the Council of the District of Columbia shall be available from this appropriation for expenditures for official purposes: *Provided further*, That for the purpose of assessing and reassessing real property in the District of Columbia, \$5,000 of this appropriation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not in excess of \$100 per diem: *Provided further*, That not to exceed \$7,500 of this appropriation shall be available for test borings and soil investigations: *Provided further*, That not to exceed \$500,000 of this appropriation shall be available for settlement of property damage claims not in excess of \$1,500 each and personal injury claims not in excess of \$5,000 each: *Provided further*, That \$500,000 of this appropriation, to remain available until expended, shall be for the District of Columbia's contribution toward the expenses of the Temporary Commission on Financial Oversight of the District of Columbia, as authorized by Public Law 94-399, approved September 4, 1976.

ECONOMIC DEVELOPMENT AND REGULATION

Economic development and regulation, \$13,810,900.

PUBLIC SAFETY AND JUSTICE

Public safety and justice, including purchase of one hundred and thirty-five passenger motor vehicles for replacement only (including one hundred and thirty for police-type use and five for fire-type use without regard to the general purchase price limitation for the current fiscal year); \$293,247,000, of which \$5,863,400 shall be payable from the revenue sharing trust fund: *Provided*, That the Police Department is authorized to replace not to exceed twenty-five passenger carrying vehicles, and the Fire Department not to exceed five such vehicles annually whenever the cost of repair to any damaged vehicle exceeds three-fourths the cost of the replacement: *Provided further*, That funds appropriated for expenses under the Criminal Justice Act of 1974 (Public Law 93-412) for fiscal year 1980 shall be available for obligations incurred under that Act in each fiscal year since inception in fiscal year 1975: *Provided further*, That not to exceed \$200,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: *Provided further*, That \$50,000 of any appropriations available to the District of Columbia may be used to match financial contributions from the Department of Defense to the District of Columbia Office of Emergency Preparedness for the purchase of civil defense equipment and supplies approved by the Department of Defense, when authorized by the Mayor.

PUBLIC EDUCATION SYSTEM

Public education system, including the development of national defense education programs, \$310,596,700, of which \$8,164,100 shall be payable from the revenue sharing trust fund, to be allocated as follows: \$230,975,300 for the District of Columbia Public

Schools; \$22,705,000 for the Teachers' Retirement Fund; \$47,115,200 for the University of the District of Columbia; \$9,639,700 for the Public Library, and \$161,500 for the Commission on the Arts and Humanities: *Provided*, That the District of Columbia Public Schools are authorized to accept not to exceed thirty-one motor vehicles for exclusive use in the driver education program: *Provided further*, That not to exceed \$1,000 for the Superintendent of Schools and \$2,500 for the President of the University of the District of Columbia shall be available from this appropriation for expenditures for official purposes: *Provided further*, That the \$22,705,000 of this appropriation allocated for the Teachers' Retirement Fund shall be transferred to the Teachers' Retirement Fund, in accordance with the provisions of section 7 of the Act of August 7, 1946 (60 Stat. 879, as amended; D.C. Code, sec. 31-727): *Provided further*, That not less than \$7,257,800 of this appropriation shall be used exclusively for maintenance of the public schools.

HUMAN SUPPORT SERVICES

Human support services, including care and treatment of indigent patients in institutions under contracts to be made by the Director of the Department of Human Resources, \$329,110,500, of which \$6,728,200 shall be payable from the revenue sharing trust fund: *Provided*, That the inpatient rate under such contracts shall not exceed \$76 per diem and the outpatient rate shall not exceed \$12 per visit except for services provided to patients who are eligible for such services under the District of Columbia plan for medical assistance under title XIX of the Social Security Act, and the inpatient rate (excluding the proportionate share for repairs and construction) for services rendered by Saint Elizabeths Hospital for patient care shall be at the per diem rate established pursuant to 24 U.S.C. 168a: *Provided further*, That total reimbursements to Saint Elizabeths Hospital, including funds from title XIX of the Social Security Act, shall not exceed \$20,919,500: *Provided further*, That \$5,807,100 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation.

TRANSPORTATION SERVICES AND ASSISTANCE

Transportation services and assistance, including rental of one passenger-carrying vehicle for use by the Mayor and purchase of one hundred and twenty-nine passenger-carrying vehicles, of which seventy-eight shall be for replacement only, \$91,280,100, of which \$7,444,300 shall be payable from the revenue sharing trust fund: *Provided*, That this appropriation shall not be available for the purchase of driver-training vehicles: *Provided further*, That \$2,900,000 of this appropriation shall be available for the fiscal year 1978 Metrobus operating subsidy: *Providing further*, that \$4,890,400 of this appropriation shall be available for the fiscal year 1979 Metrobus operating subsidy.

ENVIRONMENTAL SERVICES AND SUPPLY

Environmental services and supply, \$77,137,800, of which \$1,500,000 shall be payable from the revenue sharing trust fund: *Provided*, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business or from apartment houses with four or more apartments, or from any building or connected group of buildings operating as a rooming or boarding house as defined in the housing regulations of the District of Columbia.

PERSONAL SERVICES

For pay increases and related costs, to be transferred by the Mayor of the District of Columbia to the appropriations for the fiscal year 1980 from which employees are properly payable, \$47,354,500.

REPAYMENT OF LOANS AND INTEREST

For reimbursement to the United States of funds loaned in compliance with the Act of August 7, 1946 (60 Stat. 896), as amended; sections 108, 217, and 402 of the Act of May 18, 1954 (68 Stat. 103, 109, and 110), as amended; the Act of July 2, 1954 (68 Stat. 443); section 9 of the Act of September 7, 1957 (71 Stat. 619), as amended; section 1 of the Act of June 6, 1958 (72 Stat. 183), as amended; section 4 of the Act of June 12, 1960 (74 Stat. 211), as amended; and section 723 of the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93-198), as amended, including interest as required thereby, \$120,457,300.

CAPITAL OUTLAY

For construction projects as authorized by the Acts of April 22, 1904 (33 Stat. 244), May 18, 1954 (68 Stat. 105, 110), June 6, 1958 (72 Stat. 183), August 20, 1958 (72 Stat. 686), and the Act of December 9, 1969 (83 Stat. 321); including acquisition of sites; preparation of plans and specifications; conducting preliminary surveys; erection of structures, including building improvement and alteration and treatment of grounds; to remain available until expended, \$132,830,200: *Provided*, That \$4,906,700 shall be available for construction services by the Director of the Department of General Services or by contract for architectural engineering services, as may be determined by the Mayor, and the funds for the use of the Director of the Department of General Services shall be advanced to the appropriation account "Construction Services, Department of General Services": *Provided further*, That the amount appropriated to the Construction Services Fund, Department of General Services, be limited, during the current fiscal year, to ten per centum of appropriations for all construction projects, except for Project Numbered 24-99, Permanent Improvements, for which construction services shall be limited to twenty per centum of the appropriation: *Provided further*, Notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968 (Public Law 90-495, approved August 23, 1968), for which funds are provided by this paragraph, shall expire on September 30, 1981, except authorizations for projects as to which funds have been obligated in whole or in part prior to such date. Upon expiration of any such project authorization the funds provided herein for such project shall lapse.

GENERAL PROVISIONS—DISTRICT OF COLUMBIA

Sec. 201. Except as otherwise provided in this title, all vouchers covering expenditures of appropriations contained in this title shall be audited before payment by the designated certifying official and the vouchers as approved shall be paid by checks issued by the designated disbursing official.

Sec. 202. Whenever in this title an amount is specified within an appropriation for particular purposes or object of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount which may be expended for said purpose or object rather than an amount set apart exclusively therefor.

Sec. 203. Appropriations in this title shall be available, when authorized or approved by the Mayor, for allowances for privately-owned conveyances used for the performance of official duties at 17 cents per mile but not to exceed \$60 a month for each automobile and at 11 cents per mile but not to exceed \$40 a month for each motorcycle, unless otherwise therein specifically provided, except that one hundred and thirteen (13) per centum for venereal disease investigators

in the Department of Human Resources) such automobile allowances at not more than \$935 each per annum may be authorized or approved by the Mayor.

Sec. 204. Appropriations in this title shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor.

Sec. 205. Appropriations in this title shall not be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Service Commission requiring the installation of meters in taxicabs, or for or in connection with the licensing of any vehicle to be operated as a taxicab except for operation in accordance with such system of uniform zones and rates and regulations applicable thereto as shall have been prescribed by the Public Service Commission.

Sec. 206. Appropriations in this title shall not be available for the payment of rates for electric current for street lighting in excess of two cents per kilowatt-hour for current consumed.

Sec. 207. There are hereby appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of judgments which have been entered against the government of the District of Columbia: *Provided*, That no part of any funds so appropriated shall be used for the payment of any judgment entered by any court against the government of the District of Columbia requiring the payment for electric current for street lighting at a rate in excess of two cents per kilowatt-hour for current consumed: *Provided further*, That nothing contained in this section shall be construed as modifying or affecting the provisions of paragraph 3, subsection (c) of section 11 of title XII of the District of Columbia Income and Franchise Tax Act of 1947, as amended.

Sec. 208. Appropriations in this title shall be available for the payment of public assistance without reference to the requirement of subsection (b) of section 5 of the District of Columbia Public Assistance Act of 1962 and for the non-Federal share of funds necessary to qualify for Federal assistance under the Act of July 31, 1968 (Public Law 90-445).

Sec. 209. No part of any appropriation contained in this title shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Sec. 210. No part of any funds appropriated by this title shall be used to pay the compensation (whether by contract or otherwise) of any individual for performing services as a chauffeur or driver for any designated officer or employee of the District of Columbia government (other than the Mayor, Chief of Police, and Fire Chief), or for performing services as a chauffeur or driver of a motor vehicle assigned for the personal or individual use of any such officer or employee (other than the Mayor, Chief of Police, and Fire Chief). No part of any funds appropriated by this title, in excess of \$1,000 per month in the aggregate (\$12,000 per annum) shall be used to pay the compensation (whether by contract or otherwise) of individuals for performing services as a chauffeur or driver for the Mayor, or for performing services as chauffeur or driver of a motor vehicle assigned for the personal or individual use of the Mayor.

Sec. 211. Not to exceed 4½ per centum of the total of all funds appropriated by this title for personal compensation may be used to pay the cost of overtime or temporary positions.

Sec. 212. The total expenditure of funds appropriated by this title for authorized travel and per diem costs outside the District

of Columbia, Maryland, and Virginia shall not exceed \$225,000.

SEC. 213. Appropriations in this title shall not be available, during the fiscal year ending September 30, 1980, for the compensation of any person appointed—

(1) as a full-time employee to a permanent, authorized position in the government of the District of Columbia during any month when the number of such employees is greater than 37,886: *Provided, That*—

(A) positions within this city employment limitation shall be set aside as the maximum number of permanent, authorized employees as follows: Appropriated positions, 33,659 of which 9,652 shall be for Public Schools; reimbursable and revolving fund positions, 1,090; capital outlay positions, 781; District of Columbia General Hospital, 2,356; and

(B) the District of Columbia Public Schools and the District of Columbia General Hospital shall not exceed their respective employment limitations and are hereby required to report monthly to the Mayor, for the purpose of maintaining controls on city-wide employment, regarding the total number of current employees and the total number of separations and filling of positions within their respective employment limitations; or

(2) as a temporary or part-time employee in the government of the District of Columbia during any month in which the number of such employees exceeds the number of such employees for the same month of the preceding fiscal year.

SEC. 214. No funds appropriated in this title, for the government of the District of Columbia for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community group during non-school hours.

SEC. 215. Appropriations in this title shall be available for services as authorized by 5 U.S.C. 3109, at rates to be fixed by the Mayor.

SEC. 216. The annual budget for the District of Columbia government for fiscal year 1981 shall be transmitted to the Congress by not later than February 1, 1980. Supplemental requests and budget amendments shall be transmitted to the Congress in a timely manner. Such supplementals duly submitted may be considered by the Congress in connection with a Federal supplemental or in a separate District of Columbia supplemental. Budget amendments duly submitted may be considered as a part of the annual District budget to which the amendment pertains.

SEC. 217. There are hereby appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977, D.C. Law 2-20, approved September 23, 1977.

SEC. 218. None of the funds contained in this Act shall be made available to pay the salary of any employee of the government of the District of Columbia whose name and salary are not available for public inspection.

SEC. 219. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

This Act may be cited as the "District of Columbia Appropriation Act, 1980."

Mr. ROTH. Mr. President, this amendment would reduce the Federal payment recommended in this bill by \$57.5 million. An appropriation of this amount

was recommended by the House committee and passed by the House. I consider the \$57.5 million increase recommended by the committee drastic and unwarranted.

Both the District's budget and the Federal payment have precipitously increased over the past 10 years. The District's operating expenses have increased at an average annual rate of 21 percent each year over the last decade.

Federal funds comprise almost one-fifth of the District's operating expenses. For all areas of the District's budget, the House bill allows generous increases which the Senate ought not to exceed.

Today, the District's budget supports over 46,000 permanent employees and about 9,000 temporary workers. The District government has 46 percent more employees per capita than the national average for State and local employees.

The city's population has decreased by 100,000 since 1969; nonetheless, over the last decade the Federal payment has increased from \$131.0 million to the \$243.1 million recommended in this bill. Both the General Accounting Office and the District government agree that personnel costs account for 57 percent of the annual D.C. budget. Personnel costs continue to absorb more and more of the budget. Consequently, public service funds have been jeopardized; the District has had to request increases in Federal moneys each year over the last decade far in excess of the inflation rate. The Federal Government must not continue to pay for the city's overblown payroll. It is imperative that sharp restraints be imposed on the growth of the District's government. We must not sponsor the unwarranted expansion of the District's governmental employment base beyond its already bloated size.

Mr. President, many of us in this body believe that the unnecessary growth of the Federal Government must be curtailed. More importantly, taxpayers all across this Nation demand we scrutinize the appropriations' process to more effectively insure the efficient expenditure of their tax dollars. We must encourage belt tightening and fiscal restraint in the District's government.

We must limit any further expansion of the District's already bloated bureaucracy. We must not promote unwarranted budget expansion. Mr. President, my amendment is modest; I strongly urge its adoption.

Mr. LEAHY. Mr. President, I oppose the amendment offered by the Senator from Delaware, for a number of reasons.

The committee has already made substantial reductions to the Federal funds portion of the budget. The Federal payment has been reduced \$68 million from the city request. This represents a 22-percent reduction below the request.

The city has requested the authority to borrow \$159,391,700 from the U.S. Treasury for the capital improvement program. The Senate has reduced this request by \$34.4 million since cash balances are available to fund this program from previous borrowings due to the delay of several capital projects. This amounts to a 22-percent reduction.

The ceiling in the first concurrent res-

olution for the District of Columbia includes \$500 million for new budget authority. The committee has recommended \$384,621,500 of this total which is \$102,270,200 less than the ceiling, or a 21-percent reduction in the ceiling.

The committee has done its work with great care. We have made these reductions only after hours of hearings and still more hours of analysis and great deliberations.

Further reductions would not be justified.

As the Members know, these Federal funds in the District of Columbia bill are just one source of funding and \$1,067,000,000 of the funds for this bill come from local sources.

The budget recommended by the committee reverses the trend of the city's increasing and growing dependence on Federal funds. The recommended Federal payment is 17.85 percent of the total budget, the lowest percentage since 1966.

The Members should know that while the city will receive an estimated \$795.5 million in Federal funds in fiscal year 1980 that only \$384.6 million, or 48 percent, are appropriated through the District of Columbia bill. The balance of these Federal funds come to the District of Columbia from the various Federal agencies and we have no control over that in this bill.

Mr. President, I point out that the percentage of the Federal payment to the overall budget is the lowest since 1966.

Senator MUSKIE has noted, on behalf of the Budget Committee, that this is one of the few budgets to come through that is substantially below the Budget Committee's targets. The Federal payment is substantially below the request of the President. It is substantially below the amount that OMB recommended. It is substantially below the amount recommended by the authorizing committee.

I feel that I am in a somewhat anomalous situation. I do not think that by my recommendations I ever have been considered by the city as some sort of Santa Claus with respect to this budget. I know that has been the attitude of the two newspapers in Washington in this regard. I have cut and cut and cut in this budget.

We have considered amounts that the House did not have before it. I know the House has taken a very conscientious, very serious, very studious, and very careful look at this budget. We did have matters to consider that they did not have to consider. Of course, we still have the conference committee to go to.

So I hope that, inasmuch as we are so far below the budget targets already voted on and set by this body, this amendment will be rejected and that we will be allowed to take this bill to conference and work out the differences there.

I yield to the distinguished Senator from Maryland.

Mr. MATHIAS. Mr. President, I rise to oppose the amendment. I am wondering of the Senator from Delaware is advised that one of the principal reasons for the difference between the amount

appropriated in the other body and the amount recommended by the committee here is the fact that there were budget amendments between the consideration in the other body and the consideration in the Senate. Those budget amendments totaled \$86.5 million, and were legitimate requests, necessarily requests that the other body did not have an opportunity to act on because the budget amendment had not been made at the time that the House of Representatives acted.

So, even with that the Senate did not grant all of those budget requests, only a portion of them representing the difference between what the other body did and what the Senate did.

I think in addition to what the Senator from Vermont, the chairman of the committee, has already said about the frugality of this appropriation, which has been praised by the chairman of the Budget Committee, which is within the budget, which is within the first concurrent resolution, which is within the authorization, all of the tests of fiscal prudence have been met here, but even more than that I hope that the Senator from Delaware will not be trying to reach beyond a cut in the Federal funds, because under the principles of home rule what the City Council does in raising and expending revenue is certainly entitled to comity.

If the Senator from Delaware will look at the figures in the committee report, it will be clear that this appropriation represents more than a 20-percent cut in Federal funds requested by the budget. We have already cut the Federal share of this appropriation by more than 20 percent. We have already cut the District's share by 6 percent. So there has already been a substantial attempt to economize. It is my honest belief that any further cuts here are bound to represent a significant slash in services which can only be detrimental to the National Capital of this country.

Mr. LEAHY. Mr. President, I am ready to yield back my time, if Senator ROTH is, and take a rollcall vote on his amendment.

Mr. ROTH. Mr. President, I say to the distinguished manager, and I will take only a couple additional minutes, I congratulate the committee, particularly the manager, who has been taking a hard look at many of the expenditures of the District of Columbia government. At the same time, I think it is only fair to point out that the House bill, together with the expenditures of the District of Columbia, amounts to over an 8.8-percent increase.

I do think that it is important that we recognize that GAO has reported that the District error rate in welfare payments exceed the national average twofold. I have already mentioned that they have the highest per capita employment in the country. According to the GAO, the District has no work force management system.

I personally think that as it is the Nation's Capital, the budget should be adequate, but we should have efficiency as an example for the remainder of the country.

I urge the adoption of my amendment. I yield back the remainder of my time. Mr. LEAHY. I yield back the remainder of my time.

I understand the yeas and nays have been ordered?

Mr. ROTH. I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. BURRICK). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUBLESTON), the Senator from Hawaii (Mr. INOUE), the Senator from Louisiana (Mr. LONG), and the Senator from Alabama (Mr. STEWART) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Mexico (Mr. DOMENICI), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The PRESIDING OFFICER (Mr. BRADLEY). Have all Senators in the Chamber wishing to vote done so?

The result was announced—yeas 28, nays 60, as follows:

[Rollcall Vote No. 229 Leg.]

YEAS—28

Bentsen	Ford	Metzenbaum
Boren	Garn	Nunn
Boschwitz	Goldwater	Proxmire
Byrd	Hatch	Roth
Harry F., Jr.	Helms	Stone
Cannon	Humphrey	Tower
Chafee	Jepson	Wallop
Danforth	Johnston	Warner
Dole	Laxalt	Zorinsky
Exon	McClure	

NAYS—60

Baker	Hatfield	Fackwood
Baucus	Hayakawa	Pell
Bayh	Heinz	Percy
Biden	Hollings	Pryor
Bradley	Jackson	Randolph
Bumpers	Javits	Ribicoff
Burdick	Kassebaum	Riegle
Byrd, Robert C.	Kennedy	Sarbanes
Chiles	Leahy	Sasser
Church	Levin	Schmitt
Cochran	Lugar	Schweiker
Cohen	Magnuson	Stefford
Cranston	Mathias	Stennis
Culver	Matsunaga	Stevens
DeConcini	McGovern	Stevenson
Durenberger	Melcher	Talmadge
Durkin	Morgan	Tsongas
Glenn	Moynihan	Weicker
Gravel	Muskie	Williams
Hart	Nelson	Young

NOT VOTING—12

Armstrong	Hefflin	Pressler
Bellmon	Huddleston	Simpson
Domenici	Inouye	Stewart
Eagleton	Long	Thurmond

So Mr. ROTH's amendment (UP No. 461) was rejected.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, H.R. 4580, which the Senate passed today, makes appropriations for the District of Columbia for fiscal year 1980, serves two very important functions. First, it provides a Federal payment to the city which is intended to help it meet its obligations as the Nation's Capital. Second, it provides funds for local programs operated by the city government.

I want to compliment the distinguished Senator from Vermont (Mr. LEAHY), who is chairman of the District of Columbia Subcommittee, and the members of the subcommittee for the thorough and careful attention they have given to each of these areas.

As the Nation's Capital, Washington, D.C., plays a role unlike that of any other city. That is, it serves not only District of Columbia residents but also every citizen in the United States. Every Federal building, every national monument is maintained for the benefit of all Americans.

At the same time, however, the District must be responsive to the local community. Local agencies such as the Metropolitan Police Department, the Board of Education, the Department of Human Resources, and others, are responsible for seeing that local services are rendered efficiently and effectively.

In keeping with its twofold responsibility of addressing both the needs of the District of Columbia as it applies to its residents and as it applies to the Nation, the subcommittee, under the very able leadership of Senator LEAHY and the ranking minority member, Senator MATHIAS, has reported a bill which is balanced in its budget targets and realistic in its recommendations.

Having served for 7 years as chairman of the District of Columbia Appropriations Subcommittee, I feel a kinship with, and a great respect for the accomplishments of Senator LEAHY and Senator MATHIAS. Each has demonstrated great skill in tackling some complicated and longstanding problems concerning the relationship of the Federal Government to the District of Columbia.

The subcommittee has reviewed the budget requests for the District of Columbia item by item. As the report accompanying the bill indicates, every reduction in funds and every increase in funds is well documented.

Careful review of all areas led the subcommittee to recommend increases in selective areas. For example, additional funding is recommended for the Office on Aging. The elderly are among those hardest hit by inflation. The increases recommended by the subcommittee will go toward improvements in legal and long-term care services for the District's elderly, as well as toward improvements in transportation services for the elderly.

The committee recommends the requested amount for the new Pre-Voca-

tional Center for the Handicapped, which is planned as a barrier-free facility that will serve the special needs of handicapped students seeking career educations.

The committee also made some very important recommendations in the bill. In an effort to avoid unnecessary administrative costs and duplication, the fiscal year 1980 budget proposes that consolidation efforts of recent years be continued.

Another recommendation, again reflective of the committee's interest in seeing the city government operate smoothly and efficiently, includes a directive that the Department of Human Resources continue to improve its welfare payment system and reduce erroneous welfare payments.

Mr. President, the District of Columbia appropriations bill for fiscal year 1980 is a well-balanced bill. It has been carefully reviewed and contains important recommendations for more efficient operations of agencies and departments of the District government. Again, let me thank Senators LEAHY and MATHIAS and the members of the committee for their fine work.

Mr. LEAHY. Mr. President, I suggest a third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. LEAHY. Mr. President, the yeas and nays have been ordered. I yield back my time.

Mr. MATHIAS. I yield back all our time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUDPLESTON), the Senator from Louisiana (Mr. LONG), the Senator from Hawaii (Mr. INOUE), and the Senator from Alabama (Mr. STEWART) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. BELLMON), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The PRESIDING OFFICER. Are there

any Senators in the Chamber who desire to vote who have not done so?

The result was announced—yeas 77, nays 12, as follows:

[Rollcall Vote No. 230 Leg.]

YEAS—77

Baker	Ekon	Moynihan
Baucus	Ford	Muskie
Bayh	Glenn	Nelson
Bentsen	Goldwater	Nunn
Biden	Gravel	Packwood
Boren	Hart	Pell
Boschwitz	Hatfield	Fercy
Bradley	Hayakawa	Fryor
Bumpers	Heinz	Randolph
Burdick	Hollings	Ribicoff
Byrd	Jackson	Riegle
Harry F., Jr.	Javits	Sarbanes
Byrd, Robert C.	Johnston	Sasser
Cannon	Kassebaum	Schmitt
Chafee	Kennedy	Schweiker
Chiles	Leahy	Stafford
Church	Levin	Stennis
Cohen	Lugar	Stevens
Cranston	Magnuson	Stevenson
Culver	Mathias	Stone
Danforth	Matsunaga	Talmadge
DeConcini	McClure	Tsongas
Dole	McGovern	Warner
Domenici	Melcher	Welcker
Durenberger	Metzenbaum	Williams
Durkin	Morgan	Young

NAYS—12

Cochran	Humphrey	Roth
Garn	Jepsen	Tower
Hatch	Lavett	Wallop
Helms	Proxmire	Zorinsky

NOT VOTING—11

Armstrong	Huddleston	Simpson
Bellmon	Inouye	Stewart
Easton	Long	Thurmond
Heflin	Pressler	

So the bill (H.R. 4580), as amended, was passed.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. BRADLEY) appointed Mr. LEAHY, Mr. BUMPERS, Mr. DURKIN, Mr. MAGNUSON, Mr. MATHIAS, Mr. SCHMITT, and Mr. YOUNG conferees on the part of the Senate.

Mr. LEAHY. Mr. President, again I thank my colleagues, but especially I thank Senator MATHIAS, the ranking minority member of the subcommittee, for his help and consideration on this measure. I also especially thank Mr. Bond, Mr. GORSKI, and Ms. Hoem and others on the committee staff for their fine work.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS, 1980

The Senate continued with consideration of the bill.

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 4394.

Mr. PROXMIER. Mr. President, I yield 1 minute to the Senator from Vermont.

Mr. LEAHY. Mr. President, I call attention to an appropriation item included in the HUD-independent agencies appropriation. It is my feeling that this issue did not receive the close attention it deserves during committee deliberations. Therefore, I would like to speak briefly to the question at this time with the hope that Senate conferees will be mindful of my concern at the time they meet with House Members to resolve differences on the appropriations bill.

The appropriations request that I address is that for the President's Regulatory Council. The Council's budget is included as a line item within the larger budget of the environmental protection agency. It is my understanding that the budget request was handled in this manner because Mr. Doug Costle, the head of the Environmental Protection Agency, is also the designated head of the President's Regulatory Council. For reasons of convenience, the Council budget was included within EPA's larger request.

Mr. President, the Regulatory Council was created by Presidential directive on October 31, 1978. In conjunction with the President's Executive Order 12044 on regulatory reform, the Council was established for the very laudatory purpose, I believe, of providing coordination in the development and exercise of regulatory policy between executive agencies and departments. High ranking officials of all executive departments and certain executive agencies were made members of the Council and a small staff was created. As stated by the President in his Regulatory Council directive, the purpose of the Council is to "help insure that regulations are well coordinated, do not conflict, and do not impose excess burdens on particular sectors of the economy." An express role of the Council in this regard is to publish semiannually a regulatory calendar listing major regulations that agencies and departments intend to publish.

To assist in the larger and more complex task of regulatory reform, the Council is designed as an interagency coordinating mechanism. The President has wisely recognized that in light of the fact that departments and agencies often have overlapping jurisdiction in substantive policy areas, there is a need to coordinate regulatory policies so as to avoid economic waste caused by inefficient and duplicative regulations.

I heartily support the President's efforts for regulatory reform, and I do not disfavor the concept of a regulatory council. I do, however, urge the Senate conferees to take a closer look at the amount of money that is being requested for operation of the Regulatory Council.

As a member of the Senate Judiciary Subcommittee on Administrative Practice and Procedure, I am very interested in the substantive issues of regulatory reform. I am a supporter and cosponsor of bills on this subject, and I endorse the idea of a regulatory council.

Mr. President, the amount of money involved in the Council's appropriation request is small. They are asking for \$3,238,000—a pittance, to be sure, in view of the dollar figures that are being discussed here today.

While the dollar figure involved here may be small, I would submit that the principle is significant. As we strive to simplify and make the regulatory policies of our Government more efficient and workable, we must be mindful of repeating the historic mistake of throwing money at our problems.

Approximately \$1 million of the appropriation requested by the Regulatory Council is intended for the purpose of paying outside consultants to prepare studies of Federal Government regulatory policy in certain substantive areas. The Council requests money in incremental amounts ranging from approximately \$65,000 to \$268,000 to hire consultants to study so-called regulatory policy in areas such as the following: Steel, nonferrous metals, automobiles, carcinogens, hospitals, and housing.

Mr. President, the money requested for these consultant studies comes to approximately \$1 million, and I think it is a waste. I urge Senate conferees to follow the House Appropriations Committee in their cut of the Regulatory Council budget request by \$1 million.

The Council was created as an executive branch study group to assist executive department heads in coordinating regulatory policy. They were not created for the purpose of developing substantive policy expertise for certain regulatory subjects.

Without disputing the contention that perhaps there may be a need for consultant or Presidential task force studies such as the above, I strongly dispute that such a role was properly intended for this Council.

The Council argues that they cannot provide adequate advice from a coordination point of view unless they have in-depth knowledge of the substance of certain policy areas. My response is that their hiring of outside consultants to print up reports that will likely go unused by the relevant departments is a monstrous boondoggle. The departments themselves already have the capability to do such studies. The Regulatory Council's involvement in this area is duplicative to the tune of \$1 million, and they should be cut back by this amount.

The executive branch of this Government, Mr. President, has traveled the "consultant road" too many times already. In the interest of saving shelf space and conserving on Government monuments for the collection of dust, I urge Senate conferees to follow the wise lead of the House committee in cutting the Regulatory Council's line item request along the lines I have suggested.

UP AMENDMENT 462

(Purpose: Reduction of \$700 million in Assisted Housing)

Mr. PROXMIRE. Mr. President, I send and amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 462.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 12, strike "\$1,140,661,000" and insert "\$1,106,393,000".

On page 2, line 17, strike "\$26,680,128,000" and insert "\$25,980,128,000".

Mr. PROXMIRE. Mr. President, this, as I understand it, is a 1-hour amendment.

The PRESIDING OFFICER. The Senator has the right to offer one 1-hour amendment, with a half-hour on each side.

Mr. PROXMIRE. This is the amendment that may consume an hour. I hope it will consume substantially less.

I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Tony Arroyos may have the privilege of the floor for the remainder of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, this amendment would cut annual contract authority under the assisted housing program by \$34.3 million and as I think I can explain, would have a minimal impact on the HUD's ability to reserve assisted housing units, certainly for the next year or so. Following congressional budget cuts in fiscal year 1977 and 1978 the Department carried over \$98.6 million in unused annual contract authority from 1977 into 1978.

They carried the funds over and did not use them. I am proposing to cut only about a third of what they have carried over in the past. They carried over \$84.8 million in unused authority in 1978 into the current fiscal year.

Although the amount of annual contract authority cut by this amendment is small, the amendment would reduce budget authority by \$700 million over periods of up to 40 years, thus conforming this part of the bill to the assumptions made in the first concurrent resolution on the budget. To put the reduction in perspective it is a cut of only 2.6 percent in the request for assisted housing—less than 3-percent and a reduction of a mere 9,037 assisted housing units.

Despite past cutbacks, the Department has had great difficulty in effectively using the funds the Congress has made

available to the section 8 program. For example 64 percent of all section 8 new construction/substantial rehabilitation reservations in fiscal year 1978 took place in the last month of the fiscal year.

Let me repeat that. Sixty-four percent—two-thirds—of the reservations—that is, of the commitments to build housing by HUD—took place in the last month of the fiscal year, the last one-twelfth of the fiscal year.

In the first three-quarters of the current year, 24,777 net new construction/substantial rehabilitation reservations were made while more than 25,000 past reservations fell out of the system.

They had made reservations because they were pushed to make them and they felt they had to spend the money that Congress had provided. Although they made commitments to spend the money, now they have found out that those commitments had been made so hurriedly in order to make a good record on spending the money, getting the money out, getting rid of it, that they were not able to follow through and deliver on the housing.

That indicates that many past reservations have been highly questionable. Furthermore the Department would have to reserve a net total of over 156,000 new construction/substantial rehabilitation units (86 percent of the total) in the last quarter of the fiscal year to meet its goals.

In the first place, Mr. President, I do not think they could make that many reservations. In the second place, if they could, they could only do so, on the basis of the past record, in a wasteful, extravagant way.

Last year, Mr. President, the Department was only able to reserve 110,000 units in the last quarter. It makes little sense in this context to give the Department the full amount they have requested.

What we are doing here is to make a practical effort to reduce the program, as I say, by only 9,000 assisted housing units and save in the long run, over the 40-year period to which contract authority applies, a total of \$700 million.

Mr. President, this amendment would conform this part of the bill to the first concurrent budget resolution. It would move us in line with what we promised in that resolution with respect to housing. We are already way over the resolution in view of the action that we took on revenue sharing. We are way over it in view of the other spending decisions that the committee decided to make in the bill. My amendment would mean that, at least as far as housing is concerned, we would conform to what the budget resolution and a majority of Senators committed the Senate to 2 short months ago.

Finally, Mr. President, I call the attention of the Senate and the attention of my colleague from Maryland to the headline in the Washington Star tonight: "Six-Month Inflation Worst Since 1951."

That was a war year, the Korean war.

But right now, inflation is the worst it has been since 1951. Somehow, Members of the Senate are forgetting the fact that the No. 1 domestic issue facing this country, by far, is inflation. If we are going to continue to violate our promises of only 2 months ago and to violate them by hundreds of millions of dollars, there is no way we can say that we are meeting the fundamental problem that faces this country—inflation.

I agree that there are other elements that cause inflation besides government spending, but certainly that is a central element. The overwhelming majority of the American people, on the basis of every survey, feel it is the most important element.

Under those circumstances, what I am asking for is a relatively limited sacrifice—as I say, a cut of less than 3 percent in assisted housing. It would permit us to cut \$700 million in budget authority, and would permit us to conform to the budget resolution we passed in May.

Mr. President, I reserve the remainder of my time.

Mr. MATHIAS. Mr. President, the headline that the Senator from Wisconsin has held up is a very alarming headline—"Six Months Inflation the Worst Since 1951." It is discouraging and I think alarming.

But it seems to me that cutting an appropriation, which does not put this bill beyond the bounds of the rather strict fiscal limits that we have placed around it, is not an adequate response to that headline because inflation, of course, is the result of more than one factor.

Government spending is certainly one factor. But productivity, the level of imports as it relates to the level of exports, are equally important factors in creating inflation.

What this part of this appropriation bill is concerned with is providing sufficient housing for the people of the United States.

A long time ago, Congress looked at the housing shortage in this country and decided it was one of the most serious shortages that existed. We established for ourselves the goal of the construction of 600,000 new housing units per year. We have not met that goal. Very frankly, it would be a subject of real national concern if this amendment were to pass.

There is a rumor around the Senate today that my old friend, Moon Landrieu, the former Mayor of New Orleans, is at the White House looking over the prospects for his job, or perhaps being looked over.

Mr. PROXMIRE. Will the Senator yield on that subject?

Mr. MATHIAS. Yes.

Mr. PROXMIRE. I understand that at noon today the President announced the appointment of Mayor Moon Landrieu of New Orleans to be the new Secretary of HUD.

Mr. MATHIAS. Let me say that if I were Moon Landrieu and this amendment passed, I would reconsider my decision to accept that appointment be-

cause this would be a very tough program to administer with the kind of slash that would be made by this amendment.

I think Moon Landrieu, as talented as he is, and the genial and persuasive fellow that he is, would have a tough time in keeping peace either within HUD or in the cities of America if we had reduced the program to the inadequate levels that this amendment would result in doing.

First of all, I think we ought to take note of the fact that the housing portion of this bill represents less than 50 percent of the funds appropriated. We very carefully deliberated in both the subcommittee and in the full committee about the balance between the needs of all of the programs that were contained in the bill. This deliberation resulted in a recommendation of \$1.5 billion below the budget for the nonhousing parts of the bill.

This was a tough value judgment and many valuable programs were sacrificed, but a hard sacrifice was made, hard choices, and \$1.5 billion was saved.

So the committee has already explicitly recognized the importance of these housing programs.

Mr. PROXMIRE. Will the Senator agree that \$684 million of that amount has just been put back into the budget, with the Senator leading the fight to do so? Does that not wipe out almost all of our reduction, about 95 percent of what the Senator has been—

Mr. MATHIAS. Less than 50 percent.

Mr. PROXMIRE. A sum of \$684 million is about 95 percent of \$700 million, is that not right?

Mr. MATHIAS. I think, perhaps, we are dealing with a slightly different set of figures. But I think we understand each other perfectly well.

But I would say further that the amendment comes at the wrong time.

We have, as I have just said, given our measure of the priorities here. Let us look at the timing, because there is not sufficient housing now to meet existing needs.

Over the last 3 years, the net annual loss of rental housing has been 2 percent. Here the population has been growing, but we have lost rental housing in this country, and particularly elderly people on limited incomes need rental units, new families just forming, young couples just married need rental units, and we have a loss of rental units.

This 2-percent loss translates to about 420,000 units lost last year.

The loss of multifamily housing has been largely due to a decline in new production of rental units, abandonment and foreclosure of older dwellings and conversion of rental units to condominiums and cooperatives. That spread like wildfire through this country. People who could formerly rent now find they are expected to buy their apartments, and a great many people do not have the capital to buy an apartment.

It is estimated that vacancy rates of 5 percent to 9 percent are needed to provide normal housing mobility. Currently,

the Nation's rental vacancy rate is below 5 percent, with an effective rate of 2 percent to 3 percent. This, I believe, is the lowest it has been in 24 years for which the Census Bureau has kept such statistics.

Mr. President, I do not know what the correlation between the Washington Star headline on inflation and that fact is, but perhaps the economists might find some relationship, that the shortages—the shortages—of housing may be affecting the historically high cost of housing.

I think it is important to recall that HUD's multifamily programs are a basic force in maintaining the level of multifamily starts in this country. The most recent estimates are that about 50 percent of all multifamily activity is directly dependent upon HUD's insurance and subsidy programs. I believe that the subcommittee and the committee acted wisely by not additionally reducing the availability of housing in an already tight housing market.

Such a reduction would preclude the reservation of approximately 15,000 housing units in fiscal year 1980. This would come on top of an estimated reduction of 60,000 units already included in the President's budget. The administration estimates that in fiscal year 1979 it will reserve a total of approximately 360,000 units. The fiscal year 1980 request is estimated by the Department to result in a reservation of 300,000 units—and this estimate is considered optimistic by our advisers in the Congressional Budget Office by approximately 34,000 units—optimistic by perhaps as much as 30,000 to 35,000 units.

A further reduction in housing units at this time would go completely counter to the current trends in the housing market.

The consequences of this housing shortage translate to increased competition and to increased demand for the shrinking number of existing units. In fact, this will do just what I am fearing we will see as a result of the trends that the Star reports tonight: We will push rents upward and thus will ultimately increase housing costs, which is another way of saying we will fuel the fires of inflation. Of course, that does not even contemplate the human effects on the families that will not be able to obtain adequate housing.

Mr. President, during the course of the hearings on this subject, I addressed several questions to the Department on the exact needs in this area, and I ask unanimous consent to have those questions and the detailed answers printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS

Question. Has the Department looked at the aggregate need for low- and moderate-income housing in this country as spelled out in local Housing Assistance Plans? And if so, could you tell us, in approximate terms the magnitude of that need. How much of that total national low- and moderate-income housing need is proposed to be met through the Section 8 new construction/substantial

rehabilitation program? How much of the national need is proposed to be addressed by the Section 8 existing housing program? How much through public housing? (*In percentages*). What percentage of that total national need will be met by the President's proposed budget?

Answer. The total annual housing goal identified in the latest available Housing Assistance Plan (HAP) data is 408,606 units. The FY 1980 Budget proposes the reservation of up to 300,000 units of Section 8 and Public Housing. This includes 147,400 units of Section 8 new construction and substantial rehabilitation, 102,600 units of Section 8 existing housing, and 50,000 units of Public Housing. The proportion of new and existing housing (66-34) is determined by the HAP ratio.

The estimates of total annual housing need range from 2.2 million units to 2.8 million units. The needs of low-income households (which include areas not covered by HAPs) is estimated at between 780,000 to 1,000,000 units. Total reservations under all housing assistance programs are estimated at 325,000 units in FY 1980, or 42 percent of the estimated 780,000 units needed.

Question. You have stated on several occasions that the Department's budget request for FY 80 is "lean." Further, the FY 80 request is the lowest since your arrival to the Department in 1977. I am deeply disturbed, then, that the Senate Budget Committee chose to cut budget authority for assisted housing even further—from \$27 billion to \$22.6 billion. Assuming the CBO's cost estimates and the current mix of new and existing housing units, that amount of budget authority will only produce 220,000 units—of which 145,000 would be new and substantial rehab. Would you please comment on this situation—and how these budgetary actions will affect the Department's mission of providing housing for low- and moderate-income people?

Answer. Regardless of which assumptions on average unit cost are utilized, the action by the Senate Budget Committee in reducing the amount of new budget authority available for the Subsidized Housing programs in FY 1980 from the Administration's request of \$27 billion down to \$22.6 billion would reduce substantially the Department's ability to provide additional Subsidized Housing in FY 1980.

The Administration's FY 1980 request for additional authority to support a program of up to 300,000 subsidized rental units in FY 1980 does represent a relatively lean budget and includes the impact of a number of proposals to hold down the spiraling cost of housing construction. In comparison with the current FY 1979 reservation estimate of approximately 360,000 units, the FY 1980 request already is a significant reduction. Although an increased level of activity could be justified, the Administration's Budget request ensures that the highest priority needs can be addressed within the context of the current requirement to constrain overall Federal spending.

The Administration's Budget request includes up to 197,400 new construction and substantial rehabilitation units with the remaining balance of 102,600 units representing moderate rehabilitation and existing housing. Utilizing the Department's assumptions on unit costs, the Senate Budget Committee action would reduce the program level to be supported to roughly 248,000 units. This reduction of approximately 52,000 units could involve a decrease of up to 34,400 units under the new construction and substantial rehabilitation components.

The Department believes that the Senate action, particularly with respect to the impact of new construction and rehabilitation

activity, would simply add to the pressures already created by the tightening rental housing market. Rental housing vacancy rates on a national basis are below five percent which is a twenty year low.

It currently is estimated that, given current assumptions on new households entering the rental market, an additional 410,000 to 440,000 rental units must be added to the national housing inventory each year during the decade of the 1980's. In addition, the replacement or rehabilitation of substandard rental stock will add up to 156,000 units annually to this need. A substantial portion of this projected need represents low- and moderate-income households who, given the economics of housing construction, will not be served without Government intervention.

The Administration's Budget recognizes this need and represents an acceptable level of assistance for keeping pace with demand while recognizing the requirement for overall Federal fiscal restraint. Further reductions in the current production program will simply add to the need for additional rental units in the future.

Mr. PROXMIRE. Mr. President, I will reply briefly to the distinguished Senator from Maryland.

He has suggested a new and interesting economic theory: that the way to stem inflation is to spend more money, that we are not spending enough. He says we should spend more on housing and housing costs would go down. That is an interesting theory. He might be able to find some economists to support it. It is said that if you look hard enough, you can find an economist who will support any theory.

This headline says "6-Month Inflation Worst Since 1951." The Senator's argument is that one of the reasons for inflation is that we have not been spending enough money. He says we would not have as bad inflation if we spent a little more.

Is that the Senator's argument?

Mr. MATHIAS. I think the Senator has not listened accurately to what I said.

I said that the shortages of housing were causing rents to go up. The Senator could hardly contest that most ancient rule of the marketplace—that supply and demand affect price; that when there is a surplus of supply, prices tend to go down and that when there is a shortage, prices tend to go up.

We are seeing now a shortage of housing in America. I am not saying that spending money will reduce inflation. I am saying that productivity in the housing market, providing housing to meet the existing shortage, will relieve some of the economic pressure.

Certainly, one of the elements in this headline tonight is the cost of housing, the basic cost of shelter, which in this climate is an absolute necessity of life.

Mr. PROXMIRE. Absolutely; and all the evidence we have indicates that what is happening is that housing costs have risen when we have poured more and more money into housing in the government sector. This type of expenditure has driven up land costs, material costs, labor costs, financing costs all along the line. All those elements have risen as the Federal Government has gotten more into the housing picture.

Mr. MATHIAS. I ask the Senator this question: What is his solution? You can go around the world and find people living under a sheet of tin, with a little fire, and some mud piled up on the sides to keep out the wind. Is that the kind of solution?

We have to have housing for the human beings in existence. We are not talking about needs of a generation hence. We are talking about men and women in America who live here today.

Mr. PROXMIRE. I say to the Senator from Maryland that he knows I have supported housing, some housing, adequate housing, housing that made sense. But here we have a situation in which the administration has not been able to spend the money we have given them. Now, once again, we are going to provide more funds than they can spend.

The fact is that my amendment would cut \$34 million next year. That is less than 3 percent of this program, as I say. In the past year, HUD carried over—they could not spend out of this program—\$85 million. The previous year, 1977, they carried over \$99 million.

Obviously, more houses are not going to be built if they cannot spend the money.

Furthermore, this is only a 9,000 unit cut in a program which involves 300,000 units. But in the long run, over the 40-year period for which this appropriation authorization is effective, it will save \$700 million, which will enable us to conform to the promise we made in the first budget resolution with respect to this particular program.

It obviously is a responsible posture for the Senate to take and for Senators to take. In my judgment, my amendment would provide—on the basis of the record in 1977, 1978, and 1979—all the money that HUD is likely to spend on assisted housing. But at the same time, it would provide a very practical, useful opportunity for us to hold down spending in this area, as we promised to do.

Mr. MATHIAS. Mr. President, I do not want to prolong this debate, because I suspect that the Senate already is thoroughly familiar with the basic principles that are involved here.

However, I have to question the wisdom of this amendment—and I am perfectly willing to be viewed as parochial in this matter—when we have a housing rate down to 1 percent in the city of Baltimore, Md. That is an indication that there is not adequate housing in this great city. That is not so only in Baltimore, Md. You can go around the country in such places as Hartford, Reno, Albuquerque, or Tulsa, and find areas where the vacancy rates are below what is considered to be the safe statistics to provide adequate housing choices for people.

Further, I think we should address the objection the Senator from Wisconsin has made to the existing programs on assisted housing.

I have checked the latest statistics on this, the latest available statistics.

For this year, it is indicated that HUD will convert into housing starts a higher percentage of its assisted housing reser-

vations, on hand at the beginning of the year, than in any previous year. In fiscal 1976, 44 percent of the units in the pipeline at the beginning of that year were converted to starts. In fiscal year 1976 61 percent were moved to starts. This year—and I hope the Senator will listen—HUD will convert between 72 and 77 percent of the pipeline into starts.

There is a consistent record of improvement, from 44 to 61 percent somewhere in the neighborhood of 75 percent.

What about termination? It is said that they go ahead and put the starts in, but how many become terminated? How many really go on and provide walls and a roof for families to live in? Only 7.5 percent of all the units reserved in fiscal year 1976 and the prior years were terminated. That is for a period of 3 years. For reservations made in fiscal 1977, the percentage of units terminated went down from 7.5 to 6.5 percent. For reservations made in fiscal year 1978, it was down to 3.5 percent.

So here we see the steady rates of improvement in this program, in which the number of starts were moved up each year and the number of terminations has gone down each year.

I think that should get us the kind of confidence in the program which justifies the amount appropriated by the committee.

Mr. President, I yield to the distinguished Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I ask time in opposition to the amendment, and I ask how much time remains, so that I will not take all the time, because I know others will want to speak.

The PRESIDING OFFICER (Mr. BOREN). The Senator from Maryland has 17 minutes, and the Senator from Wisconsin has 21 minutes.

Mr. MATHIAS. I am happy to yield 5 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. WILLIAMS. Mr. President, I certainly start with applause for persistence of the Senator from Wisconsin. He stays with it. This has been a subject which in this form has been heard at various levels, and has not been successfully heard, but here we are again. So my good friend, the chairman of the committee I have the honor to sit on, gets the golden award, for persistence.

Mr. PROXMIRE. We won on the budget resolution and I am hopeful we can win today.

Mr. WILLIAMS. Yes.

I want to give the reasons within this limited time why I feel strongly that it should be resisted.

Mr. MATHIAS. Mr. President, will the Senator yield for a minute?

Mr. WILLIAMS. I yield.

Mr. MATHIAS. Mr. President, following the remarks of the Senator from New Jersey, I yield 5 minutes to the Senator from Massachusetts (Mr. TSONGAS).

Mr. WILLIAMS. Mr. President, in my judgment this amendment is extreme and unnecessary, and I certainly strongly oppose it.

Misconception is usually born of truth, and the reasoning that spawned

this proposal is a classic example. It is true that reduced Federal spending, under various conditions, can be a helpful response to inflationary pressures in the economy. Unfortunately, the sponsors of this amendment have taken this reality and twisted it out of shape. They would have us believe that cut backs in housing assistance beyond the already minimal amounts contained in the committee bill will somehow signal a victory in the fight against inflation. However, as a legislative body, we have a responsibility to base our actions on fact, not fiction and properly balance conflicting priorities of Government. We must lay bare the idea that the road to reduced inflation lies through greater hardship for the poor. We must expose this line of argument for the fraud it really is.

In plain truth, the sponsors of this amendment are trying to prescribe the wrong medicine for the wrong patient. The amendment seeks to force arbitrary budget cuts on a sector of the economy already reeling from depression. Earlier this year, witness after witness, in hearing after hearing before our Housing Subcommittee, attested to the deep trouble afflicting the multifamily housing industry. Rental housing is suffering from a critical lack of production. At the same time, the loss of rental units from the existing stock due to abandonment, conversion, and deterioration, is constricting still further an already tight supply.

The dimensions of this crisis in supply are alarming for renters of all income levels, but especially for low- and moderate-income people whose choices are always the narrowest. I have outlined some of the statistics in previous debates, and would like to reemphasize them because they are so important.

As many as 420,000 rental units are lost to the stock every year. Rental vacancies have plummeted to their lowest point in 24 years. Meanwhile, according to a Library of Congress report issued this month, the Nation must produce an average of 670,000 new and substantially rehabilitated units annually over the next 10 years, just to meet the needs of low and moderate income people. An additional 570,000 units a year, on the average, will need moderate rehabilitation.

Now, as any schoolchild knows, when demand goes up and the supply goes down, inflation results. This is basic economics and it describes conditions in the multifamily rental market today. Yet, despite the unchallenged fact that the supply of decent, affordable rental housing for moderate incomes is shrinking, the sponsors would cut back our already inadequate efforts to encourage multifamily housing production. What could be more inflationary than this? I cannot conceive of a proposal which contradicts its own purpose more than this one. The idea that less Federal housing assistance in the face of a housing shortage will somehow reduce inflation defies all reason.

This "less is more" philosophy has produced some other strange arguments. During the debate over the housing authorization bill, it was pointed out that inflation hurts the poor the most and

that the best assistance we can provide them is to reduce inflation. This is true enough, and I am sure that this point will be made often today. However, there is a wide gap between an earnest desire to control inflation, and the notion that denial of rental assistance to 10,000 poor households will benefit us all.

The PRESIDING OFFICER. The time has expired.

Mr. WILLIAMS. Will the Senator yield 2 additional minutes?

Mr. PROXMIRE. I yield 2 minutes from my time to the Senator from New Jersey.

Mr. WILLIAMS. The average income of an assisted housing tenant is only about \$4,500 a year, a marginal living at best. More than 12.9 million households in this country pay more than 25 percent of their income in rent, and among some groups the rent burden is devastating. People aged 75 and above typically pay out almost half their income in rent. Can anyone seriously believe that cutting back our housing budget will really make these individuals and all the other poor as well more financially secure?

The fact of the matter is that the sponsors of this amendment would have us enter a world of fantasy. According to them, if we can just cut the budget, our anti-inflation dreams will come true. Well, saying it does not make it so. Those who have strived over the months to slash housing funds have never presented one shred of worthwhile evidence that their efforts will produce anything but continued hardship for the most vulnerable members of our society.

It would be enlightening to examine the relationship between budget cuts and inflation. According to the Congressional Budget Office, in its report to the Budget Committee on the fiscal policy response to inflation, an across-the-board cut of \$15 billion in Federal outlays for fiscal year 1980 could reduce inflation by a paltry .2 percent by the end of 1981. Of course, this spending reduction would not produce an equivalent reduction in the deficit. The resulting slowdown in economic activity would push up unemployment, and actually increase automatic payments, such as food stamps and unemployment compensation.

The amendment before us would reduce outlays by only \$350,000 in fiscal year 1980. Even if we were to reduce housing assistance outlays for fiscal year 1980 by an amount equal to the long-term budget authority which the amendment proposes to save, the effect on inflation would be virtually immeasurable. In the final analysis, cuts in housing assistance on the order of this amendment would have painful impact for thousands of people while benefiting no one.

Another point that supporters of this amendment have made on several occasions is that we are really not cutting anything, that the number of federally assisted units will be increased. Again we must separate myth from reality. Housing is like any other consumer good in the sense that units wear out, are destroyed, or are converted to other uses. Units that are lost must be replaced and additional ones must be built to handle a growing population. One of the yard-

sticks by which we measure a progressive society is how well its people are housed. The true measurement of our federally assisted housing efforts is not how many units we have in place or whether we are adding to that number, but whether or not these efforts are making progress toward meeting the need—and by all accounts we are not, even under the appropriations committee bill.

Before I close, I would like to offer some perspective on the argument that the integrity of the congressional budget process is at stake here. It is not. The budget process was deliberately structured to be flexible, and to respect the independent judgments of the authorizing and appropriating committees about how specific programs are to operate.

This is the reason for at least two budget resolutions. The first budget resolution was never meant to be a rigid, unbending instrument of policy that takes precedence over all committees in the establishment of budget priorities. It was meant to be a guide, not an overseer. It is not infallible. In the area of assisted housing, the budget resolution makes assumptions that are inconsistent with the true housing needs of the country, and this body has a right to make the necessary corrections.

The real issue in the continuing debate over budget figures is whether or not the Federal Government will do its job with a maximum of efficiency at the least possible cost. The public has clearly expressed its desire for lean and thrifty Government budgets. In reporting this bill, the Appropriations Committee has responded vigorously to the public. In fact, in the area of housing assistance, I believe that the committee has overreacted in light of the housing market conditions we know to exist. Even without the proposed amendment, the committee bill provides the lowest level of housing assistance appropriated during this decade, yet at a time when we face the highest level of low income family formation in recent history. This bill involves \$9.5 billion less in budget authority than would be needed to achieve the level of reservations HUD projects for fiscal year 1979.

Mr. President, this amendment is wrong, not just because it hurts only the poor, which it does, but also because it holds itself out as necessary to our effort to cut inflation, which it is not. The amendment substitutes appearance for substance. It is mistaken in concept and harmful in its consequence. This very amendment was rejected twice during Appropriations Committee markup. By putting it to rest once and for all, we do ourselves and our country a great service.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 5 minutes.

Mr. TSONGAS. Thank you, Mr. President.

Let me just make a couple points. First, I am also intrigued by the issue of fighting inflation by cutting back on housing. Obviously the people who need housing

the most—I do not know a U.S. Senator in public housing—are the poor people. And the way we are going to help them with inflation is to give them less housing. I submit that, since the other issue they have to be concerned with is food, why do we not help them with their hunger by producing less food? And we could pursue that to its equally illogical conclusion.

Let us talk about the figure of 264,000 units, which is, as you know, historically the lowest in 10 years with the exception of what happened in 1974. In the committee which I serve on and which my chairman obviously is the distinguished chairman, the committee authorized 300,000 units, and we were on the same floor in which the chairman came before the Senate and reduced that down to 264,000 despite the eloquence of myself, the Senator from New Jersey, and others. So all of a sudden 264,000, rather than being as it was indicated by my chairman a reasonable figure, is now excessive, and if we have 264,000 we will have more headlines like the one in the paper today. That argument obviously has no end.

Two hundred and sixty-four thousand units are what the Senate passed. It is what the Appropriations Committee has passed. It also, by the way, is what the President has requested. And to drop it down to 250 at this late stage is perhaps an interesting exercise, but it certainly violates any theory as to what authorization committees are all about and what the Appropriations Committee is all about. We could all stop here and simply have a Budget Committee and let it go at that.

The other thing that I wish to raise is the question of inflation in the budget and the issue of Federal spending.

There was an article in the paper yesterday in which one Senator indicated that he might support the SALT Treaty if, and the figures vary, there is a guaranteed 5-percent real growth in defense spending. And the President has indicated to NATO that he is prepared for a 3-percent real growth increase in defense, and I believe this is one issue in which the chairman and I are in reasonable accord. And that is how do you tell people who live in cities who cannot make it, who cannot afford housing, "Well, we are going to cut your housing back, but we are going to provide serious real growth in defense spending?"

How can you possibly argue that that enhances our national security? It seems to me if we are going to fight inflation by reduced Federal spending that that should not be limited to those programs that affect the poor. Indeed, as has been said, inflation affects the poor the most.

It seems to me that housing would be the last place we would go to cut back, not the first place. You go through this budget and you will find virtually no programmatic area that has been as severely slashed as housing. I think that is a rather sad commentary to make in both the Senate and in the country at a time when our cities are desperately crying out for revitalization.

I thank the Senator for yielding, and I yield back the remainder of our time.

Mr. PROXMIRE. Mr. President, I yield such time as the Senator from Maine may require.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I rise not so much to discuss the merits of this particular program as to remind the Senate that the budget implications have changed since I discussed the subject earlier today. We have already added to this bill \$700 million in budget authority and outlays by restoring the full amount of revenue sharing to the States.

Now, that revenue-sharing program happens to be a program which I support. As a matter of fact, I think I introduced perhaps the first revenue-sharing bill ever introduced in the Senate, and conducted the first hearings in the Government Operations Committee. Yet I supported the amendment of the Senator from Wisconsin holding the amount for that program to the amount approved by the committee because this bill as it came to the floor, together with later requirements in these areas, threatened, and indeed, inevitably breached the budget targets.

Now we have added that \$700 million and the numbers now are \$1.6 billion in budget authority over the 302(b) allocation when you take into account later requirements, and \$1.3 billion in outlays.

Mr. President, we started out this year with a program of fiscal restraint because we all believed, I thought, that inflation was the No. 1 problem facing the country.

Well, at the beginning of this fiscal year the annual rate of inflation was 9 percent. It is now between 13 and 14 percent. Has inflation become less important? And yet what we have already done prior to action on this bill threatens to breach the budget targets by \$6 billion in budget authority and \$5 billion in outlays independent of this bill—independent of this bill, let me repeat.

I was assured that when I raised this specter at the time we debated the first three appropriation bills it would be taken care of, it would be taken care of before the appropriations process was over.

Now, the District of Columbia appropriations bill, which we acted on a little while ago, is the only one that has not added to the problem, and I do not see any prospect that any of the remaining appropriation bills will alleviate the problem. So you cannot dodge the problem by saying, "Well, I will vote for this bill because I will take care of it later." It will not be taken care of later.

If the Senate votes for this bill with full knowledge of what I have just said, that is the Senate's prerogative. But I want to make it as clear as I can that this is the consequence, the budgetary consequence.

In addition, may I point out to my colleagues we are going into a markup on the second budget resolution next week. CBO reestimates—those reestimates are related to actual experience since the May 15 budget resolution—plus the worsening economic picture, show that we will go up by possibly \$9 billion in

outlays independent of what we do on the appropriation bills.

So what we are looking at when the second budget resolution is marked up by the Budget Committee is a deficit at least at the \$35 billion figure, and probably higher, and when we passed the first budget resolution we reported a deficit of \$23 billion.

If the Senate wants that, if that is the price the Senate is willing to pay, in order to follow its heart, to follow the pressures, to respond to the appeals, that is the Senate's prerogative. But I do not want somebody, I do not want any Senator, not a single one, coming up to me after we report the second budget resolution and saying to me, "Senator, why did you let that deficit climb from \$23 billion to \$35 billion or more?"

If that is what I am forced to do, because of the actions of this body and the other body in the meantime, I will do it, because that is my job. But I will not accept full responsibility for it, and I am going to share that responsibility with my colleagues by reminding them of what the computers show is the result, the potential result, of what we are doing on these appropriation bills, and of the deteriorating economy.

I like these housing programs, as the floor manager knows. I served with him on the Banking, Housing and Urban Affairs Committee when it was known as the Banking and Housing Committee, indeed when it was known as the Banking and Currency Committee, and I got involved deeply in these housing programs, and they helped my State. This amendment will hurt my State, but I do not know how you make cuts in any area of the budget with programs that are worthwhile without hurting somebody. There is not any way.

So either we stick to our fiscal policy of budgetary restraint or we abandon it, and once we abandon it, why then, Mr. President, should I not be able to restore the \$400 million in waste treatment funds that this bill cuts from a program that had already been cut by \$1.2 billion out of \$5 billion? I accepted the cut to \$3.8 billion without a murmur, in the name of budget austerity. Now it has been cut by \$400 million more, and again I accepted it in the name of budget austerity.

If that same philosophy is not going to inhibit and restrain other programs, then I will be tempted to some back and start fighting for a restoration of those funds, and then where will we be? We will be the Senate of the pre-budget process days, each of us voting for every goody that comes along, keeping a mental budget in our minds with the determination somewhere down the line to vote for cuts that we can then justify to our constituents as representing budget prudence.

It did not work then, and it will not work now, and that is the sum and substance of it.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, before the Senator yields, may I ask for the yeas and nays on this amendment?

The PRESIDING OFFICER. Is there

a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. I yield 2 minutes to the Senator from Maine for the purpose of a colloquy.

Mr. CHILES. I just want to ask the Senator, I continue to hear people characterize what we have done in the Budget Committee figures that we had and what now is proposed in this amendment as being a cut in housing. You know, I think it is very hard to sort of get that across, but I note that we are talking about 286,000 units in our Budget Committee figures. This would be in addition to the 898,000 units that are already being assisted. Therefore, we are talking about from our budget resolution of a 32-percent increase in the number of households to be assisted under section 8, and a 32-percent increase at a time when we are talking about austerity, at a time when we are talking about how we can kind of hold the line, and at the same time we are talking about cash outlays to be upped 23 percent over 1979.

We talked about inflation or we put in a figure of 8 percent; we talked about real growth on top of that of 1 percent for programs, which would be 9 percent. Here we have a program that under our Budget Committee figures would be a 23-percent increase in cash, a 32-percent increase in assisted families, and yet we are sort of combatting what goes out saying this is a cut, this is a slash, we are cutting back on the housing programs, and again at a time where we are just trying to hold the line during a period of time where we are saying these units, not having been taken up, that we have a pipeline full.

This is one area that we do not cut. We are adding this amount, and it should be sufficient to add, and yet we are told it is not enough, that they have to have additional amounts of money. I just do not understand it.

Mr. MUSKIE. Mr. President, the Senator's statement illustrates a very frustrating fact. The fact is that the budget as a whole does not represent a cut. It represents a smaller increase than at any time, I think, overall, since the budget process came into being. But that was because the Senate mandated us to produce a balanced budget.

Mr. CHILES. Right.

Mr. MUSKIE. In 1981 if possible, and by 1982 at the latest, the Senate mandated a balanced budget, and in order to get it, you have to start by deescalating, not rolling back but deescalating the amounts of increases.

That is what we did. We did not put any cuts in here, or any slashes. The growth may not be as much as some Senators would like, but it is certainly not a cut.

Mr. PROXMIRE. Mr. President, I very much appreciate this colloquy. I think the Senator from Maine has told us exactly the correct story. The fact is that we are over the budget resolution by \$6 billion in outlays, and this bill makes a colossal increase in that it is \$1.6 billion over the budget resolution in bud-

et authority and \$1.3 billion over this resolution in outlays.

The Senator from Florida made the excellent point that the level recommended in the budget resolution for assisted housing is not a cut but an increase. Outlays are going up by 23 percent. Twenty-three percent. How can you say a proposal is unfair, is cutting back, is hurting housing, when it allows an increase of 23 percent?

The fact is that we have before us a 6-months inflation figure that is the worst since 1951, and 1951 was a war year. We were in the middle of the Korean war the last time we had the current rate of inflation. We have never had such inflation in peacetime, and we have to recognize that if we are going to do anything about it, we have to start right now.

Mr. MATHIAS. Mr. President, I take a somewhat different view of the answers to the Senator from Florida's questions.

The fiscal 1981 request actually reflects a net reduction when the prior year carryover is taken into account. From fiscal year 1979, approximately \$34.2 billion will be available for new authority from prior years. In 1980, the comparable amount is \$26.9 billion. I think the distinguished chairman of the Budget Committee will understand the impact of those figures.

Again let me address myself to the Senator from Florida's question. The committee bill is already one-fourth less than HUD's 1979 request. We are going downhill. We have already cut this program. The arguments of the Senator from Maine are very forceful, telling arguments, but we have already followed his advice. We reduced the units from 300,000 to 265,000. We did that in the authorization; we cut that. Now we are going to make a cut on top of a cut, and add, on top of a 15-percent cut, another 6- or 7-percent cut.

And who are the people who are being cut? The poor people of America, who need to have housing units.

I think we have to consider all of the elements that create inflation.

Mr. WILLIAMS. Mr. President, may I just ask the Senator a question?

Mr. MATHIAS. I yield to the distinguished Senator from New Jersey.

Mr. WILLIAMS. All of you—the Senator from Maine was honest, as always, when he said he is not going to deal with the merits here, but only the budget figures.

Mr. MATHIAS. That is right.

Mr. WILLIAMS. It is almost like with blinders on, looking only at the Budget Committee numbers, the columns of figures. He is giving us these—

Mr. MATHIAS. But they do it in the interest of fighting inflation.

Mr. WILLIAMS. If we do not get some rental housing out there for poor people, the supply is going down—

Mr. MATHIAS. And rents are going up.

Mr. WILLIAMS. And rents are going up; and if that is not inflation, I do not know what is. That is not the kind that is an academic exercise, out of a big volume of numbers in a book. These are

poor people. The rents go up and up. People with 25 percent of their income already going for rent. That is hitting people with the worst kind of inflation.

Mr. MATHIAS. And hitting people where they are hurt the worst.

Mr. President, I ask unanimous consent to have printed in the RECORD a fact sheet on housing assistance payments provided in comparison with the need.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

FACT SHEET FY 1980 HOUSING ASSISTANCE PAYMENTS

Senate Appropriations Committee request level: \$1.140 billion.

The entire HUD/Independent Agencies appropriations bill is: \$44 million under the first concurrent budget resolution; \$1.594 billion under the President's request; \$607 million under the House appropriations level.

Low and moderate income households to be assisted by Sec. 8 in fiscal year '80: 265,000 households (C.B.O. estimate).

A sum of \$1.140 billion includes: 6,000 units of Indian housing construction; 50,000 public housing units.

Estimated need: 670,000 units per yr. for next 10 years, low and moderate income families (C.R.S. estimate).

Who program serves: the poor, the senior citizen, those earning less than \$4,500 per year (C.B.O. estimate).

Declining rental housing stock: an estimated 420,000 units are lost from the rental stock each year due to: razings, abandonment, and condominium conversions.

Private sector is no longer building rental housing because of limited return on investment, threat of rent control, more lucrative investments.

Vacancy rates in rental housing are at their lowest level since World War II. Apartments for rent are almost impossible to find in many metropolitan areas.

NOTE.—This is the lowest assisted housing request level by HUD since 1970, with the exception of the "housing freeze" year of 1973.)

Mr. MATHIAS. I yield the remainder of my time to the Senator from Minnesota (Mr. DURENBERGER).

Mr. DURENBERGER. Mr. President, I join the Senator from New Jersey and the Senator from Maryland in insisting that we not look at this in terms of budgetary figures, but in terms of the inflation that the gentlemen on the other side of the aisle are fighting to protect us from. I am going to give you a few statistics from a State that is probably rarely looked at as a very impoverished State.

Two weeks ago, the Senate reduced the funding for assisted housing from 300,000 units to 266,000 units. Now, we in the Senate are being asked to make further reductions in the section 8 assistance level. These additional cuts would have the effect of reducing the total units for assisted housing to about 255,000.

I opposed the earlier budget reduction and I am adamantly opposed to the cut in funding proposed today.

Adequate and affordable housing is essential to the welfare of all people. Yet, the housing assistance program has come under repeated attack and has borne more than a fair share of budget reductions. We cannot, in good conscience, accept further cuts at a time when there

are increasing housing needs and extremely low vacancy rates.

The proposal before us today will have the effect in Minnesota of knocking out an estimated additional 150 housing starts. In addition to the previous cuts, today's measure would eliminate 400 new and badly needed units in my State.

In the Twin Cities metropolitan area, to cite but one example, there are very few vacancies for persons with low or moderate incomes. In 1973, there were 45 subsidized apartment complexes that had about 590 vacant units. In June of 1979 a survey of 82 developments indicated that there were only 23 vacant units.

In addition, the metropolitan HRA has a waiting list of over 4,000 persons needing subsidized housing. The story is much the same throughout the State. We will be fortunate if we are able to meet about 35 percent of the housing needs for low and moderate income persons.

There are no new apartment units being built to meet this need by the private sector without assistance. The section 8 new construction program has provided needed additional units and has assured adequate housing for the segment of our population in need of assistance.

The Minnesota Housing Finance Agency has been able to make the section 8 program work. Section 8 is the only program we have to meet our special housing needs. Further curtailment only serves to ignore a problem that will eventually have to be met, but at increased costs to all concerned.

Mr. President, there is no question, in the State of Minnesota, but that this cut, on top of the one we took several weeks ago, will have a substantial impact on my State.

I thank the Senator very much.

Mr. PROXMIER. Mr. President, I yield 2 minutes to the Senator from Maine (Mr. MUSKIE).

Mr. MUSKIE. Mr. President, I find it interesting that the Budget Committee is accused of being focused on narrow numbers, and insensitive to human needs.

I do not know what kind of mail other Senators get on this question of inflation, but that mail comes from people, and particularly from the people that the opponents of this amendment are seeking to help. Because the people most vulnerable to inflation are the poor, the working poor, senior citizens, the beneficiaries of Federal programs like food stamps, assisted housing and on down the line.

With inflation increasing at the rate that it is this year, there is no way for Government spending programs to protect them against next month's increase in inflation. I mean, the idea that somehow there is a way for Government or those of us who have political muscle in this society to protect against inflation is the most old-fashioned, outdated, unworkable idea I have ever heard.

The Budget Committee is not a narrowly focused committee. I have never had a broader education into the workings of our Government, the interrelationship of programs, the impact of

agencies upon each other and upon people, than I have had in my 5 years on the Budget Committee.

Let me tell you, gentlemen, I do not know how long I will be in politics or in this body, but I am sure that I will look back upon this period, when policymakers will determine whether or not inflation will become a permanent part of our economic lifestyle, as the most critical of my public career.

I have seen from a distance what inflation does to countries, to economies, to societies, and so have all of you. And it is threatening us. An inflation rate of 13½ percent, an inflation rate that makes an interest rate of 12 percent look reasonable because the lender cannot recover the rate of inflation from his money, is not sound public policy.

What I am talking about is not that more housing is inflationary. What I am saying is that an abrupt departure from a policy of budgetary restraint will raise inflationary expectations throughout the economy, and if the Congress calls off the signals in the fight against inflation, every labor contract in this country is going to see an escalation in demands to protect not against last year's inflation but against next year's and the year after and the year following that. So you are going to have written into these contracts assured inflation for as many years into the future as the labor negotiators can persuade industry to accept in order to get the bargaining over. That is the kind of a threat we are fighting.

Let us get that threat dealt with and licked. Then we can build housing, we can build waste treatment plants, to match the need. But ignore inflation, treat it as something that somebody else has to worry about, that some other program ought to absorb rather than your particular one, Mr. President, and we are not going to lick it.

Mr. President, that is my preoccupation. I do not want to leave my kids the legacy of permanent inflation, and we are threatened with that now.

● Mr. STEVENSON. Mr. President, I oppose the amendment offered by the distinguished manager of the bill to reduce funds for assisted housing. During consideration of the HUD authorizing legislation 2 weeks ago, the Senate reduced the 300,000 assisted housing units recommended by the Committee on Banking, Housing and Urban Affairs to 265,000 units. Today we are asked to cut housing even more; we are asked to reduce funding for the 265,000 units approved by the Committee on Appropriations. If we make this reduction, we ignore both sound economics and the housing needs of disadvantaged Americans.

Not even the 326,000 units we have funded for the current fiscal year can satisfy the housing needs of the poor. Though the amendment now before the Senate is offered in the name of combating inflation, cuts in housing are false savings which ignore long-term implications for the economy. We cannot dampen inflation in the housing market by restricting housing supply. The only long-term solution to inflation is to assure adequate supply. The housing dol-

lars we spend today will boost supply, save money in the long run and provide useful, productive jobs for those who might otherwise be jobless. We cannot afford to deny these long-term economies to the Nation any more than we can afford to deny decent housing to the disadvantaged.

Mr. President, I urge my colleagues to reject the amendment.●

● Mr. BRADLEY. Mr. President, I rise in opposition to the Proxmire amendment.

I fully realize and commend the distinguished Senator from Wisconsin for his desire to combat inflation and keep excessive spending under control.

Yet, as much as I applaud the Senator, and his efforts, I feel a drastic mistake would be made in any further cuts to the section 8 program. It is important for the Senate not to lose focus of its objectives, of its responsibilities; and, by considering this amendment, we are doing just that.

We must not lose focus of our goal of 600,000 units of annual assisted housing production, established by the 1968 Congress. We must realize that over the course of a decade this figure has been cut by one-third, to the 400,000 units the administration had requested for fiscal year 1979. And finally, we must not allow any further reduction in the now dangerously low level requested by the administration.

The amendment before us would mean an additional reduction from the administration's figure. This reduction will not reduce inflation, but will only add to the increasing burden we are placing on our poor and elderly. For it is they who are affected the most by cuts in assisted housing.

I can safely say it is not the interest of this Senate to use its power in any way detrimental to the poor and elderly of this country. Yet, this is exactly what this amendment would do. Our Nation's vacancy rate is now less than 5 percent, the lowest figure in the 24 years that the data has been kept. The net annual loss of rental units is 2 percent; 20,000 thousand units were lost last year. These facts coupled with the administration's low level of units, the lowest in 10 years, and 400,000 units short of what the Library of Congress estimates to be our annual low income housing requirements for the next 10 years, puts our lower income citizens in a bind that is both unfair and un-American.

The poor of our country have suffered enough. We must prevent further suffering. There are 5.4 million low income persons living in substandard housing; 12.9 are paying excessive rent; 3.5 million people in this country are paying 50 percent, and I repeat, 50 percent of their income for rent.

The elderly are facing similar hardships. While they account for only one-ninth of our population, they constitute one-third of those HUD says are in need of assisted housing. Assisted housing is a necessity for these people. New Jersey, the State Division on Aging, Department of Community Affairs, shows in 1978 that there were 35,561 applicants on waiting lists for subsidized housing. This

represents an increase of 4,833 since the previous study in 1975, while there was only a 3,423 increase in available units. Thus, the longer waiting lists and the decreased availability of assisted housing are having a double disaster effect on our elderly.

This trend of legislation is also catastrophic for multifamily housing. Again in the States of New Jersey the State Housing Finance Agency has 5,000 to 6,000 units of multi-family housing in the pipeline, ready to go. Yet, these units can not be constructed because New Jersey received only 2,000 units from this year's level of 366,000 units. Cuts, already made this year, could reduce our allocation to 1,500 units.

It is our duty to justly represent the poor and elderly, those whose voice so often lacks the strength it needs. High mortgage rates, low vacancy rates, and historically low levels of assisted housing are forcing these groups into substandard housing. It is time we open the door we are now closing on this program. It is time we get our priorities straight and start assuring these people of safe, decent housing, but it is not time to make further cuts in a program which so directly aids those who need aid the most.

I strongly urge the defeat of this amendment.●

● Mr. ROTH. Mr. President, I support Senator PROXMIRE's amendment to decrease appropriations for assisted housing programs. This reduction allows appropriations for the assisted housing programs to meet their first budget resolution targets.

Assisted housing programs involve tremendous funding and are among the fastest growing Federal programs. It is staggering to read that without a single additional housing unit added beyond 1980, the Federal Government is committed to pay out approximately \$231 billion for subsidized housing assistance over the next 40 years. The Congressional Budget Office estimates that the direct subsidy costs for one unit of section 8 new construction under 30 year commitments vary from \$161,000 to \$343,000.

We must stop committing ourselves to an ever increasing debt for housing without the assurance that housing programs are conducted in the most efficient and least costly manner. This amendment will force more wise and efficient spending, and it will encourage the use of less costly existing housing units, rather than new units, wherever possible. This decrease in funds should not jeopardize the availability of housing for the needy but should encourage a better allocation of resources.

I am concerned for the housing needs of the disadvantaged. However, no citizen can afford the inefficient use of taxpayers' dollars. Inflation is hurting the American people, particularly the poor, and Government deficit spending is largely responsible for our high rate of inflation. We must try to retard inflation by reducing Federal spending to help all our citizens, especially the poor.

Mr. President, I urge the Senate to adopt this amendment. In the time of budget austerity such cuts are necessary.●

Mr. PROXMIRE. Mr. President, if the Senator from Maryland is ready to yield back the remainder of his time, I am ready to yield back the remainder of my time.

Mr. MATHIAS. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. STENNIS (after having voted in the affirmative). Mr. President, on this vote, I have a pair with the Senator from Louisiana (Mr. LONG). If he were present and voting, he would vote nay. I had already voted "yea." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HELLIN), the Senator from Kentucky (Mr. HUBBLESTON), the Senator from Hawaii (Mr. INOUE), the Senator from Louisiana (Mr. LONG), and the Senator from Maryland (Mr. SARBANES) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. BELLMON), the Senator from South Dakota (Mr. PRESSLER), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators present desiring to vote?

The result was announced—yeas 36, nays 52, as follows:

[Rollcall Vote No. 231 Leg.]

YEAS—36

Bentsen	Helms	Percy
Boschwitz	Hollings	Proxmire
Bumpers	Humphrey	Roth
Byrd	Jepson	Schmitt
Harry F., Jr.	Johnston	Simpson
Cannon	Kassebaum	Stafford
Chiles	Laxalt	Stone
Church	Lugar	Tower
DeConcini	McClure	Warner
Eaton	Morgan	Young
Garn	Muskie	Zorinsky
Glenn	Nelson	
Hatch	Nunn	

NAYS—52

Eaker	Ford	Moynihan
Baucus	Goldwater	Packwood
Bayh	Gravel	Pell
Biden	Hart	Pryor
Boren	Hatfield	Randolph
Bradley	Hayakawa	Ribicoff
Burdick	Heinz	Riegle
Byrd, Robert C.	Jackson	Sasser
Chafee	Javits	Schweiker
Cochran	Kennedy	Stevens
Cohen	Leahy	Stevenson
Cranston	Levin	Talmadge
Culver	Magnuson	Tsongas
Danforth	Mathias	Wallace
Dole	Matsunaga	Weicker
Domenici	McGovern	Williams
Durenberger	Melcher	
Durkin	Metzenbaum	

PRESENT AND GIVING A LIVE PAIR,
AS PREVIOUSLY RECORDED—1

Stennis, for.

NOT VOTING—11

Armstrong	Huddleston	Sarbanes
Bellmon	Inouye	Stewart
Engleton	Long	Thurmond
Heflin	Pressler	

So Mr. PROXMIER's amendment (UP No. 462) was rejected.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, without losing my right to the floor, I yield to the distinguished Senator from Maine (Mr. MUSKIE).

UP AMENDMENT NO. 463

Mr. MUSKIE. Mr. President, I have an amendment and I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. MORGAN). The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE) proposes an unprinted amendment numbered 463:

On page 14, line 9; beginning with the word "Provided" strike out all the language through line 14.

Mr. MUSKIE. Mr. President, this is not a money amendment and it should not take much time.

Mr. President, during full committee markup of H.R. 4394, Senator BELLMON offered language to amend the construction grant portion of the appropriation to the Environmental Protection Agency. Senator BELLMON's language was accepted by the full committee and appears in the bill in italics on page 14, lines 9-14.

Mr. President, I ask unanimous consent that that language be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

\$1,500,000,000, to remain available until expended: *Provided*, That none of the funds provided under this Act shall be used to enforce any regulation issued under the construction grants program which has the effect of retroactively applying project requirements or conditions not in effect at the time the grant for a project is awarded.

Mr. MUSKIE. Mr. President, what Senator BELLMON is concerned about is that after a grant is approved and the project underway, under construction, often EPA imposes new requirements that slow down the project, add to costs, and create problems especially for small towns.

The language as continued in the bill created some problems. So, at Senator BELLMON's request, I contacted EPA, with Senator BELLMON's agreement, and I received a letter from EPA proposing that, administratively, if construction begins within 6 months after a grant is approved, no additional requirements can be added.

I have discussed this matter with Sen-

ator BELLMON, and he is satisfied with EPA's commitment as expressed in the letter from Administrator Costle. Therefore, at my request, Senator BELLMON has agreed to withdraw the language he offered in committee. I have further assured Senator BELLMON that the Subcommittee on Environmental Pollution will review this problem when the Federal Water Pollution Control Act is next reauthorized.

Mr. President, I ask unanimous consent that the letter from EPA and Senator BELLMON's approval of the arrangement be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. ENVIRONMENTAL
PROTECTION AGENCY,

Washington, D.C., July 26, 1979.

HON. EDMUND S. MUSKIE,

Subcommittee on Environmental Pollution,
Committee on Environment and Public
Works, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Senate Appropriations Committee, in the HUD-Independent Agencies Appropriations Bill for FY 1980 (H.R. 4394), included a provision which would retroactively apply project requirements or conditions not in effect at the time the grant assistance for a project is awarded. This prohibition could create severe confusion and disruption in the grants program and we believe that there is an administrative solution to the problem which would avoid a legislative change.

The purpose of the prohibition, as I understand it, is to avoid imposing new requirements which would delay projects that are quite far along in the process. The Agency agrees that delays of this kind must be avoided if the pollution control goals of the Clean Water Act are to be achieved. We have tried to conform with a similar policy for some time in the grants program. Our experience, however, is that on occasion a serious problem arises which requires immediate attention in all projects in the planning stage. We currently have over 6700 projects in planning and design. A restriction of our ability to change the course of this planning could affect adversely several billion dollars of new construction.

It is also possible that our policy on advanced treatment could be affected by the amendment. We required, in program guidance issued in 1978 and 1979, an intensive review of all grants projects involving treatment more stringent than secondary to ensure that the treatment level would result in substantial water quality improvement. This review resulted from growing concerns within EPA and restrictions placed on the Agency's FY 1979 funds by the Appropriations Committee. We feel it has already resulted in considerable savings to the communities.

In order to deal with the problem administratively, I will instruct the program that no new requirements are to be applied to a project with Step 3 grant assistance where construction is underway or likely to be underway within six months of the grant award. This approach would give communities an assurance that they can complete arrangements to finance the local share of their projects and move expeditiously through building, local contracting and construction without fear of costly delays from new requirements.

Sincerely yours,

BARBARA BLUM,
(For Douglas M. Costle, Administrator).

STATEMENT BY SENATOR BELLMON

It is of great concern to me that the construction of sewage waste treatment sys-

tems to clean up the nation's waters are being delayed because of retroactive changes in plans and design. The bureaucrats have a poor track record in not recognizing the problems of small communities in complying with the same requirements as cities with much more time and expertise.

Mr. Muskie, the Chairman of the Environmental Pollution Subcommittee of the Senate Committee on Environment and Public Works, has been reassuring in stating that his committee will, during the next authorization of the Federal Water Pollution Control Act, take steps to correct this problem. The Administrator of the Environmental Protection Agency has taken positive action by his directive to the agency that no retroactive design changes will be applicable to the construction grant phase as long as construction is underway within six months of the date of the grant award.

The recommendation by Mr. Muskie to delete the language inserted into the HUD-Independent Agencies Appropriations bill and Mr. Costle's action is reassuring and acceptable to me. Along with others, I will continue to monitor this problem and will recommend further action if that appears necessary. I thank my colleague, the distinguished Senator from Maine, for his attention to this matter.

Mr. MUSKIE. Mr. President, I also assured Senator BELLMON that if the 6-month period proves with experience to be too short, we would look at it again; and when we come to a reauthorization of the Water Quality Act, we will look at it again at that time.

The whole idea is to help problems move forward, avoid the redtape that frustrates small communities especially, and get the job done without adding to costs and slowing down the program.

I think Senator BELLMON's objective was a sound one and we seem to have agreed on a formula that deals with the problem effectively.

Mr. PROXMIER. Will the Senator yield?

Mr. MUSKIE. Yes.

Mr. PROXMIER. Mr. President, I recall very vividly that when Senator BELLMON raised this point in the Appropriations Committee I specifically asked if he had discussed it with the Senator from Maine. He said that he had not had a chance to do that but that he would.

I am sure, as the Senator from Maine has said, that this arrangement will meet the objectives of Senator BELLMON.

I understand he has agreed to the withdrawal of his language, which is exactly what the amendment of the Senator from Maine would accomplish.

So I am happy to accept the amendment.

Mr. SCHMITT. Mr. President, there is no objection on our side to it.

Mr. MUSKIE. Mr. President, I yield back the remainder of my time.

Mr. PROXMIER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Maine.

The amendment (UP No. 463) was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the amendment was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 386

Mr. CRANSTON. Mr. President, I call up amendment No. 386 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself and Messrs. RANDOLPH, DURKIN, MATSUNAGA, and THURMOND, proposes an amendment numbered 386.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, line 4, strike out "\$5,671,119-000" and insert in lieu thereof "\$5,696,215-000".

Mr. CRANSTON. Mr. President, this amendment, cosponsored by Veterans' Affairs Committee members, Senators TALMADGE, RANDOLPH, STONE, DURKIN, MATSUNAGA, and THURMOND, and also by Senators MCGOVERN, PRESSLER and HEINZ, would add \$25,096,000 to the Veterans' Administration medical care account.

Mr. President, we are proposing this amendment to add sufficient funds to cover the fiscal year 1980 costs of implementing the Veterans' Health Care Amendment of 1979—Public Law 96-22—which was signed by the President on June 13, 1979. This new law, effective October 1, 1979, establishes new programs of readjustment counseling for Vietnam-Era veterans and preventive health-care services for certain veterans with service-connected disabilities, expands the VA's alcohol and drug treatment program, and makes certain other improvements in the VA health-care system. The VA, in its fiscal year 1980 budget documents and testimony before the Committee on Veterans' Affairs, indicated that 346 additional full-time equivalent employees—FTEE's—would be required in fiscal year 1980 for the new readjustment counseling program alone and would be requested when the authorizing legislation was enacted. The need for these additional personnel and the administration's intention to request funding specifically for them were confirmed in a June 15, 1979, letter from the Administrator of Veterans' Affairs to me, which was reprinted at page S7815 of the June 18, 1979, daily edition of the RECORD.

In a July 19, 1979, letter from Mr. John P. White, Deputy Director of the Office of Management and Budget, to the distinguished Senator from Wisconsin and very able chairman of the appropriations subcommittee on HUD-Independent agencies (Mr. PROXMIER), OMB reiterated the administration's intention to submit a budget amendment very shortly and stated that "the \$25,000,000 for the Health Care Amendments Act includes funding for an additional 346 FTEE's."

Mr. President, the Appropriations Committee, in its consideration of H.R. 4394 added \$76,380,000 to the President's

budget request for the VA's medical care account. I had recommended the addition of that amount; and it is the same amount that was added in the House-passed version of this legislation. However, in adopting this add-on to the VA medical care account, it clearly appears, from the committee's report, that the Appropriations Committee intended, as had the House of Representatives, that the \$76.4 million add-on be used for an additional 3,800 FTEE's. The Senate Appropriations Committee has found, as the House Veterans' Affairs and Appropriations Committees had found, that these additional employees are needed—personnel cuts already made in the VA health-care system so as to restore personnel cuts imposed by the administration in fiscal year 1979.

I emphasize that they are to restore personnel cuts already made in the VA medical care system. I applaud the action by the Appropriations Committee in adding these funds because the VA health-care system is suffering from serious program reductions that were brought on by the administration's refusal to utilize a \$55 million add-on to the medical care account appropriated by the Congress last year for additional personnel.

Neither Appropriations Committee report, however, evidences any intention to provide for the additional personnel and other costs needed to implement public Law 96-22. This is due largely to the administration's inexplicable failure to submit, in time for the Senate Appropriations Committee markup of H.R. 4394, a budget amendment for the fiscal year 1980 costs of carrying out the extremely important programs established by this new public law.

Mr. President, if funds to implement Public Law 96-22 are not included in H.R. 4394 when it is enacted, the VA will face a Hobson's choice with respect to carrying out the programs provided for the new law. Either it must violate the authorizing law and delay those programs—including the already far-too-long delayed readjustment counseling program for Vietnam-era veterans far too many of whom badly need this long overdue readjustment assistance—until a supplemental appropriations bill is enacted, which is not likely to occur until late in fiscal year 1980; or it must, in controversion of the clear congressional intent expressed in the reports of the Appropriations Committees of both Houses, propose to divert resources appropriated for other purposes in order to carry out these programs.

Therefore, Mr. President, we are proposing this amendment to add an additional \$25.1 million to the VA's medical care account for the specific purpose of funding 450 additional FTEE's and other related costs that we believe are necessary to begin implementation of the Veterans' Health Care Amendments of 1979. This amount is approximately the same amount that OMB indicated in its letter to Senator PROXMIER is needed to implement Public Law 96-22.

The figure we are proposing, although approximately the same as the administration will apparently request, is to be

allocated somewhat differently. We have included \$3,092,000 in funding for the preventive health-care program, including 104 FTEE's—the amount initially proposed by the VA—and have reduced the dental care add-on from \$5,888,000 to \$2,796,000 in view of the Veterans' Affairs Committee's express intent, in adding the new dental care eligibilities for totally disabled service-connected veterans and ex-POW's, that this care be provided largely by realigning the responsibilities of existing in-House dental staff and making minimal expenditures for fee care. We propose this \$3.1 million reduction to the amount suggested by the administration as necessary to fund dental treatment for newly eligible veterans, because we believe that the administration's cost analysis of implementing this program is in error in two ways:

First, the number of individuals the administration believes will seek treatment next year under this new authority—19,840 out of 122,770 veterans with total service-connected disabilities and 8,000 out of 100,000 former POW's—appears to be unrealistically low; and, second, the administration's estimate is based on an assumption that all new eligibles would be treated on a contract fee basis, a result clearly at odds with our committee's intent. Thus, the amount we are proposing would not result in holding the new beneficiaries to such an unrealistically low estimate of those who would take advantage of their new eligibility so long as the provision of the necessary care is accomplished in accord with the recent amendments to sections 601 and 612 of title 38 made by Public Law 96-22 which are designed to reduce greatly the extent of dental care provided on a contract fee basis.

Under our assumptions, less than 10-percent of the newly eligible veterans would be handled on a fee basis, and even this amount of fee basis care seems excessive if the criteria governing provision of contract fee care are properly applied.

For all these reasons, Mr. President, and with this logic behind this approach, I strongly urge all my colleagues to support the amendment.

I am delighted to yield to the Senator from Pennsylvania, who is a staunch supporter of this effort.

Mr. HEINZ. I thank the Senator from California, the author of the amendment.

I compliment him on not only offering this amendment, which I wholeheartedly support, but also for having successfully brought about the enactment of absolutely vital health care legislation affecting the lives of millions of Vietnam-era veterans, who, as the Senator from California well knows, have been grievously ignored—not by the Senator from California but by this administration and others.

The money for the appropriation that the Senator from California is proposing is absolutely necessary to implement the readjustment counseling program that the Senator was instrumental in bringing into being through his actions on the Veterans' Health Care Amendments of

1979, which we passed in this body several weeks ago, and which was subsequently signed into law.

I hope we will see rapid action by the administration in implementing this program.

It has been some 5 or 6 years since all Americans left Vietnam. It is something of a tragedy, a great waste of human resources, that so many Vietnam-era veterans, so many men who fought in combat, who were stationed in Southeast Asia, have had to wait so long for the rather modest but significant help that the Senator from California has been able to provide through his actions as chairman of the Veterans' Affairs Committee.

Because of the divisive national debate on the Vietnam war, Vietnam-era veterans have, in many cases, experienced substantial psychological and readjustment problems. Veterans returning from Southeast Asia came home either to be scorned for participating in a conflict some considered immoral or to be ignored and forgotten in our haste to put the war behind us. During hearings on the Veterans' Health Care Amendments of 1979, psychiatrists and other mental health experts testified before the Veterans' Affairs Committee that Vietnam-era veterans have suffered enormously because of society's indifference and open hostility to the sacrifices these men and women suffered during their military service.

We have an unfulfilled obligation to these veterans, and I firmly believe that it is time that we act to meet that obligation. It is time we extend to these veterans the assistance they need to overcome their readjustment problems. It is time that we take steps to enable them to lead a productive life. It is time that we help them restore their full capacity, reduced as a result of the psychological impact of their experiences in Southeast Asia, to make a contribution to our Nation. They already have made a profound contribution, but in giving of themselves, many of them have lost the ability to realize their potential. It is time to remedy that loss and to restore that ability.

The Veterans' Health Care Amendments of 1979 correctly recognized the unique problems of Vietnam-era veterans. The legislation established a program of readjustment counseling for these veterans. Additionally, it provided for a pilot program for the treatment and rehabilitation of veterans with alcohol and drug problems. Although the legislation, in my view, did not go far enough, it was unquestionably a step in the right direction.

Thus, it is essential that the Senate appropriate the funds necessary to implement the programs authorized in the Veterans' Health Care Amendments of 1979. This amendment accomplishes that result by adding \$25.1 million to the appropriation for veterans' medical care. If the Senate does not adopt this amendment, there will simply be no funds to implement essential veterans' programs authorized by existing law. This amendment will enable us to move forward with programs which are needed and which are reasonable.

So, Mr. President, I strongly support this initiative, and I ask unanimous consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I thank the Senator very much for his very gracious words about my efforts. I also thank him for his cooperation and his support, which can be very helpful, and for all he has done for veterans.

Mr. HEINZ. I thank the Senator from California. He is most generous and kind and wise.

Mr. PROXMIRE. Mr. President, I think this is an excellent program. I am all for it, but I think we should fund it out of the funds that are already in the bill. I think we can do that.

In its present form, I have to oppose the amendment by Senator CRANSTON. We are currently \$76 million over the President's budget in medical care, and the amendment proposed would result in a total increase over the budget request for medical care of \$100 million and would put the bill itself \$700 million over the budget resolution.

However, I wonder if the senior Senator from California would consider a compromise. As the Senator knows, the funds we added for medical care in committee are for the purpose of increasing medical care staffing by 3,800 positions. As the Senator also knows, the administration is committed to a 2,000-position increase but is highly unlikely to provide the additional 1,800 positions. Would the Senator be willing to drop his amendment if he were able to get a commitment from the committee and the Senate that \$25 million of the \$76.4 million increase we have already approved is intended for the implementation of the Veterans' Health Care Amendments of 1979?

In this way, we could achieve the increase the Senator seeks—achieve funding for the program for which he has made an appropriate and eloquent plea—and at the same time not increase the total in the bill, which is already over the President's budget request in this particular category.

The administration is not going to spend this money, anyway, I say to the Senator from California, for 1,800 additional personnel. So why not use the amount currently in the bill for the purposes the Senator is asking? Would the Senator consider that?

Mr. CRANSTON. Mr. President, let me say I fully understand the Senator's concern about the size of the budget. I share those concerns. I voted for an important amendment of his a little while ago that was designed to come to grips with one form of expenditure, revenue sharing to the States, that I think is not consistent with our efforts to move toward a balanced budget. And I am sure I will be with him on many other budget-cutting efforts.

I share the Senator's concerns on this front, and I fully understand his concern about the increase already provided by his committee to the VA medical care account and about any expansion at this point. However, I really cannot accept

the proposed compromise, and let me spell out very briefly why I cannot.

Both the House Appropriations Committee and the Senate Appropriations Committee have found that there is a need for 3,800 additional FTEE's to provide necessary staffing for the VA health-care system. I want to emphasize both the House and Senate Appropriations Committees have reached that conclusion. I do not believe that it is appropriate to fund the various programs authorized by the Veterans' Health Care Amendments of 1979 at the expense of personnel needs, as so clearly identified by the two committees, in other sections of the VA health-care system. Such an approach would exacerbate an already unacceptable situation in the VA's provision of medical care, and I just cannot agree to that kind of a result.

Moreover, I cannot agree with the Senator's suggestion that the administration is unlikely to provide the additional 1,800 positions. To the contrary, it is my understanding that, if Congress makes a decision, clearly and unambiguously stated, to provide additional funding for VA medical care staff, the administration will abide by that decision and provide the positions.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. CRANSTON. I yield.

Mr. PROXMIRE. Last year we did exactly that. We said we wanted more personnel and we made it clear that we were adding money for that specific purpose, but the administration simply refused to add the personnel. They used it for a pay raise. They did not use it for additional personnel. So we have the experience that maybe the faith of the Senator from California which in his judgment is awfully good, but on the basis of the record it is clear when they say they do not want to add more than 2,000 people that they are not going to. And, therefore, we can use this money for the very constructive purpose the Senator is proposing.

Mr. CRANSTON. It is true that they may not want to add them; but I am convinced, based upon my discussions, that the Administration will add the staff, if Congress makes plain that it wishes to have them added.

I also make the point that the President in a budget amendment that will be forthcoming shortly will be covering the sums that I am proposing now be added, and the only reason they are not in the bill is the failure of the administration to come up with a budget amendment in time for it to be considered in the Appropriations Committee's processes.

So I am not able to accept the Senator's proposed compromise, and I urge that we adopt this amendment and that the additional \$25.1 million specifically to fund the provisions of Public Law 96-22 be earmarked in that way.

I point out that this morning our committee ordered reported the GI bill legislation with a net cost savings. So we are trying to be prudent and to recognize the need for savings wherever appropriate savings can be found.

Included in the bill we reported this morning, are provisions to prevent abuse

and misuse of certain GI Bill programs with a cost saving of \$31 million.

I have engaged, recently on the floor on another bill, in strenuous efforts that we made—successfully to some degree—to make other cuts were appropriate. But in this case I feel that we need the 3,800 additional personnel to insure quality care by restoring staffing cuts that were unwisely made and to insure that we have the personnel to carry out a law that has recently been enacted by Congress, that the administration supports, the funding for which it supports, and a program that is desperately needed by those veterans who have not yet been able to readjust after their Vietnam experience.

Mr. PROXMIRE. Mr. President, what I wish to do when the Senator completes his presentation and all time is yielded back is to offer an amendment to the Senator's amendment which would achieve what I have been arguing we should do so that instead of adding \$25 million it would say on page 29 line 5 "including not less than \$25 million for the implementation of Public Law 96-22," which would accomplish exactly what the Senator wants, put it right into the bill and achieve all this without an additional \$25 million being appropriated.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. SCHMITT. Mr. President, I hope that the distinguished Senator from Wisconsin will not offer that amendment.

I think that the Appropriations Committee was quite explicit in its support for the \$76.4 million for the particular purpose that we voted and considered and not in the least because of the eloquent letters and statements that the Senator from California made in support of that addition to budget.

I am afraid that if we earmark \$25 million out of that \$76.4 million we are going to complicate matters, not only on the issue of health care for veterans but also with our colleagues from the other body. So I hope that the Senator from Wisconsin will allow the Senator from California to have an up and down vote on his proposal to add things on. I am not saying how I will vote on that, but I think it would be better to do it that way than to try to earmark and complicate the process of the conference and also the process of just implementing the Appropriations Committee's position.

Mr. CRANSTON. I say that I welcome the statement by the distinguished Senator from New Mexico very much. I shall just read one paragraph from the report of the Committee on Appropriations that is relevant to this discussion:

The Committee agrees with the House that an additional \$76,380,000 above the budget request is needed to provide sufficient health care personnel for the VA's medical care activities. The action of the Committee will result in an additional 3,800 health care personnel (staff-years) during fiscal year 1980. The Committee shares the concern expressed by the House regarding the Administration's decision not to release any of the 2,375 staff-years added above the budget in fiscal year 1979. The Committee also notes that the fiscal year 1980 request proposes a further reduc-

tion in health care personnel. Additionally, the VA proposes reprogramming staff-years from existing facilities in both 1979 and 1980. The Committee has included funds to restore these reductions and urges the Administration to release sufficient employment ceilings to make use of the increased staff-years provided in this bill.

So unless my amendment is adopted either this approach, endorsed by the Appropriations Committee in its report calling for 3,800 additional health care personnel, will be cut into and not met, or we will not have personnel to carry out the purpose of the readjustment counseling provisions of the other bill that needs implementation.

The only reason we do not have that in this bill, I am absolutely convinced, is the failure of the administration to come up with a budget amendment in time. So we are now seeking to remedy that deficiency in the actions of the administration.

Mr. President, in closing I would like to take this opportunity to note some other provisions in H.R. 4394 that differ from the House-passed provisions which I believe are very beneficial to the VA and which I urge the Senate conferees to defend very vigorously. The Appropriations Committee included funds in the VA's general operating expenses account to provide for an additional 30 FTEE's for the VA's Office of General Counsel to enable the General Counsel to establish a pilot program at 10 stations under which VA attorneys would manage files involving overdue debts to the Veterans' Administration, including litigating such cases in local courts. I believe there are many problems associated with the collection of overdue debts to Federal Government agencies and I believe that an appropriate pilot effort could provide significant information not only to the VA but to other agencies as well and therefore believe these positions should be added.

Mr. President, the Appropriations Committee also included funds for an additional 30 positions for the staff of the VA's Inspector General. I am a strong advocate of the new inspectors general in the Federal Government and believe Mr. Reynolds has made an excellent start at the VA. I support this effort to provide additional staff and will continue to monitor closely the staffing needs of the VA Inspector General's Office to determine if its staffing is adequate.

Finally, Mr. President, the Appropriations Committee differed from the House by providing for a more gradual phase-out of the vet rep program. I applaud the foresight this represents. I recognize that a reduction in the staffing of this program seems indicated as GI bill enrollments decline, but I believe that the Senate committee's proposed more gradual phase-down is by far the more appropriate course and urge the conferees to insist on that position in conference.

Mr. President, I ask unanimous consent that the text of my July 17 letter to the distinguished floor manager, containing recommendations for funding to which the pending measure is, I am

delighted to say, very responsive, be printed in the RECORD at this point.

The letter follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., July 17, 1979.

Hon. WILLIAM PROXMIRE,
Chairman, Subcommittee on HUD-Independent Agencies, Committee on Appropriations, Washington, D.C.

DEAR BILL: I am writing to provide you with my recommendations on fiscal year 1980 appropriations for the Veterans' Administration. As you know, I greatly appreciate the close cooperation between our committees in pursuing our common goal of better serving the Nation's 30 million veterans.

With respect to fiscal year 1980, I strongly support the add-ons to the VA budget request for the various VA accounts as passed by the House on June 27 in H.R. 4394, and would like to stress in particular the great need for the \$76.4 million added by the House over the President's request for the medical care account. This added funding is critical to the VA's ability to provide quality health-care services. As you know, the Administration required that \$98.3 million of the amount provided in fiscal year 1979 appropriations for the VA's medical care account be diverted to pay for part of the costs to the VA of the October 1978 pay raise. The resulting reductions in personnel and other support for VA health-care programs, together with other administrative restrictions that were placed on those programs, have seriously impaired the VA's ability to meet the needs of our Nation's service-connected disabled, needy, and elderly veterans.

The House increase is intended by the House Appropriations Committee to be used for "an additional 3,800 health care personnel (staff years)" (H. Rept. No. 96-249, page 48). As I indicated during the June 18 debate on S. 1039, I believe that not less than 2,000 full-time equivalent employees (FTEE's) in addition to those provided for in the President's budget request are critically needed. In fact, the Administration confirmed the need for these additional employees in Administrator of Veterans' Affairs Max Cleland's June 15, 1979, letter to me (copy enclosed).

In addition, I urge that additional medical care account funds be provided for staff to implement Public Law 96-22, the Veterans' Health Care Amendments of 1979, signed by the President on June 13, 1979, which establishes new programs of readjustment counseling for Vietnam-era veterans and preventive health-care services for veterans with service-connected disabilities, expands the VA's alcohol and drug treatment program, and makes certain other improvements in the VA health-care system.

The VA, in its fiscal year 1980 budget documents and testimony before our Committee, indicated that 346 additional FTEE's would be required in fiscal year 1980 for the new readjustment counseling program alone and that the Office of Management and Budget had previously approved adding that number of FTEE's for this purpose when the legislation is (as it has been) enacted.¹ Based on those representations and the statements in Administrator Cleland's June 15 letter making clear that staffing to implement this legislation should be in addition to the other 2,000 FTEE's mentioned above, I expect the Administration to submit a budget amendment for those 346 FTEE's and other additional staff needed to carry out the other provisions of Public Law 96-22.

To assure effective implementation of this legislation without any adverse impact on existing programs, I strongly urge that the necessary funding be included in the regular appropriations for fiscal year 1980.

The additional medical care funds added by the House over and above the amounts

needed for 2,000 FTEE's plus those needed for implementation of Public Law 96-22, are—in light of the reductions imposed during fiscal year 1979 and the very austere nature of the Administration budget request for fiscal year 1980—badly needed and should be provided for either additional employees or other program expenses that the VA may consider even more important to its ability to provide quality care.

With respect to the VA's medical and prosthetic research account, I believe that the modest \$5 million increase approved by the House—over the fiscal year 1979 appropriations level and the President's "straight-line" request—is fully warranted for the VA's extremely valuable, successful health-care research program. I believe that this add-on is especially justified in light of the clear frustration of Congressional intent last year in adding \$10.2 million to the fiscal year 1979 research appropriation. Despite the clear Congressional intent to provide for the enrichment of VA health-care research through this increase and vigorous protests on my part, the Office of Management and Budget directed that \$4.2 million of that increase be used to pay for October 1978 pay raise costs and placed restraints on the manner in which the remaining \$6 million could be used.

Thus, in order to provide, belatedly, for at least part of the program enrichment for VA health-care research that the Congress intended to provide for in fiscal year 1979, I fully support the House-passed level of appropriations for this account.

In one respect—the grants for construction of State extended-care facilities account—I recommend an increase over the House-passed level. The Congress appropriated \$10 million for this account for fiscal year 1979; and both Houses have passed legislation, in H.R. 3892, authorizing appropriations of \$15 million for fiscal year 1980. However, the President has requested and the House has approved appropriations of only \$5 million for fiscal year 1980. I see no justification for such a reduction for this proven and cost-effective means of providing extended care for the substantial and growing numbers of eligible elderly veterans for whom the VA has insufficient capacity in its own extended-care facilities. In fact, the VA has assured the Veterans' Affairs Committee that applications in hand and expected from States willing to provide the 35-percent matching funds required will far exceed \$10 million in fiscal year 1980. I, therefore, strongly urge a continuation of the \$10 million level for fiscal year 1980.

With respect to the general operating expenses account, I fully support the President's request and recommend additional sums sufficient to enable the VA to initiate activity to pursue the collection of debts in amounts less than \$600.

Thank you very much, Bill, for your interest and attention. I'd be happy to discuss these matters with you further, if you so desire.

Warm personal regards,
Cordially,

ALAN CRANSTON,
Chairman.

OFFICE OF THE ADMINISTRATOR
OF VETERANS' AFFAIRS,
Washington, D.C., June 15, 1979.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs,
Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to advise you that the Director of the Office of Management and Budget, by authority of

¹The Congressional Budget Office estimated that enactment of P.L. 96-22 would require \$37.2 million in budget authority in fiscal year 1980.

the President, has approved my request for submission of a budget amendment for fiscal year 1980 to add an additional 2,000 full-time-equivalent-employees (FTEE's) for the Veterans' Administration's medical care account, subject to the enactment of certain cost-savings legislation which I will outline later. It is understood that this 2,000 staffing increment will be over and above the 356 additional FTEE's contemplated in the President's budget in connection with the enactment of S. 7.

The Director has likewise agreed, again subject to the enactment of the cost-savings legislation, to my request that this staffing add-on would be annualized in fiscal year 1981 for the purpose of maintaining the existing program level and that staffing needed for such new activations as may be proposed later would be considered separately from this employment base.

The request for additional staffing, however, is expressly contingent upon the enactment of the cost-savings provisions initially proposed by the Administration as they are included as part of S. 1039 as reported (and proposed to be further modified in your floor amendment) regarding beneficiary travel reimbursement, nonprescription drugs, medicines, and supplies, and dental benefits pertaining to the care of veterans without compensable service-connected disabilities.

We therefore strongly support the provisions in sections 201(a), 203, 204, and 207 of S. 1039 as reported and with the modifications which we have developed together to be presented when the bill is considered on the Senate floor.

Enactment of these provisions will free up resources to make possible additional VA medical facility staffing to assure a more adequate level of health care services for our Nation's veterans. The Administration is committed to a comprehensive budgeting effort to reassess existing programs in light of changing circumstances and economic constraints.

We appreciate your cooperation in working closely with us to develop this compromise which we believe will apply available resources in the most effective manner to strengthen the VA health care program.

Sincerely,

MAX CLELAND,
Administrator.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that time be taken equally out of both sides on the bill.

The PRESIDING OFFICER. In this situation the quorum call is not charged. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 464

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 464.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, line 5, following the word "reimbursements" insert the following: "including not less than \$25,000,000 for this implementation of Public Law 96-22."

Mr. PROXMIRE. I have already explained the purposes of the amendment. I discussed this approach a moment ago. All this amendment would do would be to achieve the purposes that the Senator from California has argued so well for along with the Senator from Maryland and other Senators.

The PRESIDING OFFICER. The Chair would advise the Senator from Wisconsin that the amendment is not in order and that it does not address a pending amendment.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 465

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 465.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, line 4, strike out "\$5,671,119,000" and insert in lieu thereof "\$5,671,119,000, including not less than \$25,000,000 for the implementation of Public Law 96-22."

Mr. PROXMIRE. As I started to explain earlier, what this amendment does is to keep the money amount at the same level it was at before. It does not add \$25 million. It provides, in effect, that the money provided for the hiring of an additional 1,800 personnel, which the administration has indicated they will not hire, would be used for the purposes the Senator from California has just described.

Mr. President, in view of the discussion we have had, I do not think it is necessary to have a long debate on this amendment. I am ready to yield back my time and have a vote on it. In the event, which may develop, that I lose on this substitution, then we can have a voice vote on the amendment of the Senator from California.

Mr. CRANSTON. I am ready to yield back time.

Mr. PROXMIRE. I yield back my time on the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. PROXMIRE. Yes.

The PRESIDING OFFICER. Does the Senator ask for the yeas and nays?

Mr. PROXMIRE. No.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. (Putting the question.)

The amendment was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from California. (Putting the question.)

The amendment was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, if there are no further amendments, I suggest the absence of a quorum, and I ask that it be taken out of the time of neither side. I think there are other amendments Senators want to offer, but they are not on the floor at the moment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 466

(Purpose: To reinstate eligibility of State-assisted section 236 projects for flexible subsidies)

Mr. JAVITS. Mr. President, on behalf of myself and Senators MOYNIHAN, MATTHIAS, WILLIAMS, TSONGAS, RIEGLE, SARBANES, BRADLEY, KENNEDY, and LEVIN, I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS), for himself and others, proposes an unprinted amendment numbered 466:

On page 5, line 15, after the word "projects", insert "assisted."

The PRESIDING OFFICER. The Chair would inquire of the Senator from New York if this is the amendment on which he desires 1 hour.

Mr. JAVITS. It is.

The PRESIDING OFFICER. The Senator is recognized.

Mr. JAVITS. I yield myself 5 minutes.

Mr. President, this amendment raises the issue as to whether uninsured but assisted housing projects which exist under section 236, which are in 12 States, shall be entitled to participate in this aggregate relief fund for those that have trouble in terms of operation.

The authorizing statute of which this appropriation is the implementation permits exactly such assistance, but it has been omitted from the appropriations bills, and it is that which we are seeking to restore. That is the essence of our problem.

Mr. President, we do not feel, all of us, that this is equitable, that is, that the

authorizing legislation has admitted the projects, which are essentially State projects, some of them insured by States, others assisted so they can be called State projects generically—we do not believe that it is fair, having been qualified under the authorizing legislation, for them to be barred from the appropriating legislation.

Let me emphasize that there is no additional money involved. All we ask is to be qualified so that we, too, in our respective States may seek this kind of assistance.

I respectfully submit that any third and fourth party arguments really should not be considered relevant. The fact is that the direct claims on this fund will not in any way increase the funding. There may be more claimants, but, again, it remains within the discretion of those administering the law to decide among various claimants. All we seek is to be eligible.

The States which have this kind of situations are Connecticut, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, Pennsylvania, Virginia, and Wisconsin.

Mr. President, I think that one thing is clear in this particular matter beyond all others, and that is that we are seeking to develop housing with all kinds of assistance that we can; and the section 236 program has had a beneficial effect in reaching out for more units than would otherwise have been possible under it, because it has encouraged States to come along with their own programs, and it is a fairly appreciable operation.

The fact is that there are now about 500,000, in round figures, section 236 projects. Of these projects, roughly 20 percent, or roughly 100,000—the exact count is allegedly 115,000—would qualify to seek some kind of help from the fund, and about 40 percent of those, to wit something like 40,000, are projects which, if this amendment were adopted, would be eligible to seek that kind of assistance.

Mr. President, the reason that this section 236 interest subsidy program was set up was exactly as I said: To have more governmental entities brought in to encourage, develop, and assist housing, and specifically to encourage State housing finance agencies to provide financing; so Congress allowed subsidies to the State-financed projects that were not FHA-insured. Yet this appropriation seeks to confine the benefits of this particular section; notwithstanding the mandate of the authorizing legislation, this appropriation bill seeks to confine it only to the FHA-insured projects.

We believe that by recognizing what the authorizing legislation provided, the intent and purpose of the Congress in section 236 may be better attained, because it expands the availability of housing.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. JAVITS. I yield myself 3 additional minutes, Mr. President.

It extends the availability of housing for low- and moderate-income persons without bearing the risk of loss, which is

passed on to the State if the project fails.

Mr. President, last year, in 1978, the housing authorization legislation created a new program for operating assistance to these troubled projects. It was only after extensive negotiations that the Housing and Urban Development Department agreed to support inclusion of State-assisted projects if participation were delayed until fiscal 1980 while data were collected and the extent of the need determined.

I agreed to this proposal, as did my colleagues from New York (Mr. MOYNIHAN), Senator WILLIAMS of New Jersey, Senator HEINZ of Pennsylvania, and then Senator BROOKE of Massachusetts, who joined me in offering an amendment to that effect, and the Senate concurred, as did the conferees. Earlier in this year, when the HUD-drafted reauthorization legislation was introduced, HUD had proposed deletion of the provision for State assisted project participation. Both the authorizing committees opposed the HUD proposal and supported inclusion, and we were upheld in both Houses of the Congress.

Now, if we do not uphold this agreement now, the people who will suffer will be the tenants because they, like tenants in the Federal projects, face escalating operating costs exactly the same way, and if the noninsured are not included in the flexible subsidy program the tenants will be faced with exceedingly high rents while similarly situated tenants in exactly the same kind of insured units will get relief, which they desperately need just like our constituents in the State projects need, too.

So, Mr. President, I strongly urge the Senate to make good on what our purpose and intent was in the authorizing legislation, pointing out again that it in no way increases the amount of money. It simply makes fair the participation which has already been assured by the authorizing legislation, but which is defeated and frustrated by this provision in the appropriations bill.

I am pleased to report that the National Governors Association and the Council of State Housing Agencies support our amendment, and I deeply feel that the adoption of this amendment would insure that the agreement originally made that come 1980 these projects of the States will be treated like the Federal projects will be kept if this amendment is carried as I hope the Senate will carry it.

Mr. President, I yield such time as he may desire to my colleague, Senator MOYNIHAN.

Mr. MOYNIHAN. Mr. President, I thank my distinguished senior colleague for giving me this moment to join with him on behalf of myself and a number of colleagues.

Mr. President, I am alarmed that a wedge is being driven between the Federal Government and the States in our efforts to meet the Nation's housing needs. I think that more, not less, effort should be made to foster cooperation between the two government levels, that the States should be encouraged, not

discouraged, to continue and expand their role in providing housing.

Over the last 10 years more than half a million units of section 236 housing for low- and moderate-income people have been built nationwide. Over 100,000 of these units were constructed under a Federal financing scheme which the States were encouraged through the late 1960's and early 1970's to use, whereby a State would become the principal financial supporter of a project while the Federal Government provided the much needed additional assistance of an interest subsidy. Such substantial State participation in addressing the national housing goal has been, I think, a distinct asset to the national attempt to provide housing.

The precipitous rise in inflation since 1974 has hurt all the 236 projects, whether strictly Federal (FHA insured) or State assisted. Operating costs have risen so sharply that the increased rents needed to pay for them have often reached beyond the means of the tenants. An increasing number of both FHA-insured and State-assisted projects have been faced with default and foreclosure. Foreseeing this eventuality, the Congress in 1974 created an operating subsidy program intended to assist projects unable to meet the unexpected cost increases.

This assistance was redesigned in 1978 into a 2-year flexible subsidy program, under which State-assisted projects were to be eligible for assistance in fiscal year 1980. (The wholly Federal projects were eligible as of fiscal year 1979.)

Now we undertake the fiscal year 1980 HUD appropriations bill only to find that the House Appropriations Committee, after both the House and Senate authorizing committees emphasized the need for maintaining eligibility in State-assisted projects, has acted to exclude these projects from any chance for the operating assistance.

It must be kept in mind that all section 236 projects were built under the same Federal program and were intended to meet the needs of the same group of tenants, that inflation has been quite impartial in affecting the projects, and that operating assistance is needed by both FHA-insured and State-assisted projects and has in fact been available to both for years.

Suddenly to exclude section 236 projects built under one of the two financing mechanisms available for them in the National Housing Act will result in cutting off 20 percent of the Nation's total projects and leaving them to face a national inflation problem alone. Of course States ought also to assist these projects wherever they can. No one disputes that. But the Section 236 program has been a national effort in which—let us be thankful for it—many States have played an important part. We have instituted a national operating assistance program for section 236 projects; let us keep it open for use where the need is greatest, regardless of the auspices under which a project was constructed.

Our policy should be to ward off foreclosure wherever we can, as it is far less expensive to maintain existing housing

than to build replacements after foreclosure. This much is common sense.

I suggest it is also wise to support a policy that encourages States to participate vigorously in meeting the Nation's housing needs, and to oppose one that would discourage their activity by mandating the Federal Government's withdrawal from cooperative efforts when problems arise. Federal policy is responsible for the decision of many States to share in the national program to construct and operate subsidized housing. To deny those State efforts the troubled projects subsidy that has been until now available for all the 236 projects is to discourage future State participation and State initiative, and to hasten the day when only the Federal Government involves itself with important human needs.

There is a further argument to be made, that we are faced here with a question of equity. This appropriations bill before us would write into law a situation where a family in one 236 building is charged significantly different rental payments from a family of the same size and financial means living in an otherwise identical 236 building across the street.

Why the difference? It is not because one building has better management, or is better able to meet increased operating costs, or would benefit more from the limited assistance that is available. The two families will pay greatly differing rents—indeed, the one family may be pushed to the edge of insolvency—only because one happened to move into a building financed under subsection (j) of section 236, while the other family moved into a subsection (b) building.

Mr. President, this is indefensible. It is undoubtedly the case that we are short of funds, and must allow HUD the discretion to put what funds we have where they would be the most effective. But to exclude by policy a group of some 100,000 units of housing from any consideration for operating assistance—this is indefensible.

We must adhere to policies that encourage State participation in our national housing program, and that do not mandate glaring inequities for individuals living in the housing we are able to provide. I strongly urge my colleagues to support our efforts today to amend this bill in order to protect one such policy.

Mr. President, we will not detain the Senate overly long in this matter. There was one point not made by the senior Senator from New York that I wish to make, which is that he was the author of the amendment in 1968, which made possible the participation of States in the 236 program, and that it was part of a longstanding commitment of my senior colleague to enable State governments to do those things they can do as well or better as the Federal Government but for which they need certain resources which the Federal Government can provide by such simple measures as the one Senator JAVITS made possible in 1968.

Early today we heard from the Senator from Maryland, the distinguished co-manager of this legislation, about the

importance of revenue sharing as a principle of federalism, the effort to take an overloaded national Government and put at the State level functions that the States are entirely capable of performing and do perform. Under this program which Senator JAVITS made possible, they have performed, and a portion of those projects are having the same difficulties which the Federal projects are having. But for some bizarre reason the Office of Management and Budget has chosen to cast them aside at this moment, a very poor precedent for Federal-State partnerships in anything, a precedent which the U.S. Senate should reject—and reject, perhaps, with an element of censure of those who undertook it.

In good faith the State governments took the opportunity proposed to them by the Federal Government; now they are told they made a mistake. If it is our object to see that nothing is done in this country except by the Federal Government and at Federal expense, this bill as written is an excellent precedent for sending out that signal.

It was precisely to send the opposite message that Senator JAVITS rose on the floor of the U.S. Senate 11 years ago and commenced this sensible, modest, and constructive program.

Mr. President, I cannot imagine but that the Senate would wish to keep faith with the States that took the Federal Government at its word and took the initiative to do on their own things which they are perfectly capable of doing with moderate assistance.

I do not know that more need be said in such a case of obvious equity, excepting once again to thank my revered senior colleague for his initiative in the first instance and for his vigilance in this one.

Mr. WILLIAMS. Will the Senator yield?

Mr. JAVITS. I yield such time as the Senator may desire.

Mr. WILLIAMS. I will not take long, Mr. President, because I believe that everything that could be said to indicate the equities here has been said.

I would like to associate myself with the remarks of my distinguished colleague from New York. I support this amendment and believe that it is simply a matter of equity and consistency to include State-financed section 236 projects as well as HUD-insured projects in the flexible subsidy program.

It was, after all, the Federal Government which encouraged States to produce section 236 units, and then relied and depended upon these same States to implement these projects. The Congress itself deemed that fairness required the eligibility of State financed 236 projects for these very reasons in the Housing and Community Development Amendments of 1978.

Thus, with the concurrence, and, indeed, the combined backing of the administration and the Congress, at that time, State Agencies began working with HUD in January of this year to bring about the implementation of this program. Denial, now, of this assistance to handle costs beyond the control of State housing finance agencies would jeopardize

ize the good faith reliance upon which these programs have been implemented. It would set a bad precedent.

The tenants of these State-uninsured 236 projects are, after all, of the same low-income level as in the HUD-insured projects. The income qualifications are identical. The flexible subsidy program was meant to be a means of maintaining housing opportunities for low- and moderate-income persons. If that is the case, how can we possibly deny or discriminate against those living in State-financed projects?

In my State of New Jersey, for instance, 63 percent of all the section 236 units authorized have been uninsured, State-financed. In very great measure, the New Jersey State Housing Finance Agency had alleviated a considerable burden from the Federal Government's shoulders in sponsoring these projects. My State had acted to further HUD's goals, and has acted in good faith. Without passage of this amendment, we will meet my State's good will and trust unfairly. We will surely jeopardize the futures of the tenants living in the 11,984 uninsured State-financed units in my State.

As a matter of equity, I hope my colleagues will join me in supporting this amendment. Let me emphasize that this amendment will add no money, only eligibility.

Mr. PROXMIRE. Mr. President, unfortunately, I must resist this amendment. The distinguished senior Senator from New York said that it would not cost any money. No, not yet, but just wait.

Mr. President, the committee has recommended limiting the troubled projects operating subsidy program to multifamily housing projects insured only under the Federal Housing Agency. We recognize that many of these State projects are viable and well managed. We also know that some are not. That is the principal reason we have taken this action. While many of these State projects were developed with Federal-State involvement, the important point is that the States were responsible for the underwriting of the projects and they alone have the sole responsibility for overseeing and controlling project management and operations.

The only Federal obligation to these projects was its commitment to make interest reduction payments.

While the Federal Government is doing that, and will continue to do it for the balance of the contracts, we ought to keep in mind that what the troubled projects operating subsidy program is designed to do is to restore financial soundness to a project in order to protect the Federal Government from potential claims if a federally-insured project should fail to meet its mortgage payments. The key to the effectiveness of the flexible subsidy is the control over improvements in the management of projects. The Federal Government in insured projects has a direct relationship with the owners. It monitors operating expenses. It approves rent increases and disbursements from reserve funds. Therefore, it knows at first

hand the operating details of the project. And it can determine the need for additional subsidy, if any exists.

How about State projects? The problem with State projects is that no such relationship exists between the Federal Government and the States. The whole purpose of the troubled projects operating subsidy is to upgrade the management of these projects in exchange for a Federal subsidy. How can we upgrade the management of the State projects when we have no control over that management, when that is a State responsibility?

With regard to State financed projects, if we make this subsidy available to them, the Federal Government has no control, no say, over the ultimate management improvements which may be required in those projects.

The Senator from New York says opening the program will require no more money but it will produce more claimants. But there obviously will be more pressure to provide more money under those circumstances, or what happens? In the 12 States which are eligible under the proposed language, some State projects will get benefits, but that means projects in the 38 other States will be hurt. They will have less of an opportunity.

The essential difference is, as I say, that we do not have control over the State projects and we do over the Federal projects, which the bill would cover and which the administration's budget request will cover.

(Mr. BAUCUS assumed the chair.)

Mr. JAVITS. Will the Senator yield?

Mr. PROXMIRE. In just a minute, I shall yield.

Mr. President, if the States want to, they have ways to assist projects financed by State agencies, either directly by providing rental subsidies to tenants or indirectly by providing relief through tax abatements or mortgage modifications.

But again, the point is that the States have direct management control over these projects. The Federal Government does not—and thus, it has no way to insure that these flexible subsidies are being used in the way the program was designed.

It is true that the authorizing committee, of which I am chairman, did provide that State troubled projects could be funded. But the fact, the important point, is that we are in the middle of a terrible battle to control inflation. The President took a long, hard look at the 1980 budget. He had to make some choices on how we are going to spend Federal dollars. One of those choices was that we would not use this program—troubled projects operating subsidies—to assist uninsured State projects.

The President had to make some choices. Not everything that he or other members of this administration or the last administration indicated we may fund one day. Not everyone of those things can be funded. By opening this program up to State projects, we are committing ourselves and the American taxpayer—just as surely as I stand here today—to a permanent new operating

subsidy program—that in the case of State projects may have nothing to do with how they are managed. What we are trying to do here is simply to say—wait a minute—let us not make that commitment at this time.

We have to draw the line somewhere. I propose that we do it here. If we do not, we are going to commit ourselves to an additional \$10 or \$15 or \$20 or \$30 million of Federal subsidies, or, on the other hand, we are going to have a situation where FHA-insured projects simply do not get the share they are entitled to get.

Now I yield to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, the Senator does not deny at all that when this was authorized, the intention was that it should be implemented by appropriation?

Mr. PROXMIRE. That is true.

Mr. JAVITS. He does not deny it?

Mr. PROXMIRE. I do not deny that. When we authorize programs, we put a ceiling on the authorization. The distinguished chairman of the Appropriations Committee has told us many times that there is no way we can fund the full implementation of all these programs. If we did, we would not have a \$500 billion budget but a \$1 trillion budget right now.

Mr. JAVITS. I think the Senator knows me well enough to know that I do not argue in the air; I am going to get to a point.

The point I am trying to make is that I think we may have a basis for fairness, because this is a generic exclusion. This is not a matter of having authorized \$100 and appropriating \$65. It is a generic exclusion. They are all excluded. That is what is troublesome.

When we debated originally, in July of 1978, this very amendment, I said the following about it because, remember, all we are doing is authorizing. We are not compelling the housing people to give this assistance to State projects. We are allowing them to try to qualify. When almost this argument was made at the same time—by the Senator from Wisconsin, by the way—this is what I said. This is at page S11264 of the Record:

The amendment is conditioned upon the fact that within the discretion of HUD the owner or mortgagee of such State-backed projects should show their good faith by a contribution satisfactory to HUD. This assistance could take the form of the provision of various services, forbearance on delinquencies, tax considerations, rental subsidies, or capital contributions.

That was written in as the intention of the provision.

By the way, maybe the Senator would like to have a look at it.

Mr. PROXMIRE. I think that is fine as long as it does not include an operating subsidy. We have no objection.

Mr. JAVITS. I know that, but what I am getting to is the fact that, sometimes, it is necessary, in order to bail out some of these projects, to put a deal together in which the Federal Government, even if it took a very small part, would facilitate the continuance of a project.

I understand the Senator's objection. I do not agree with it, but I understand it. What I am trying to get at is whether

or not, at the very least, it might not be fair to implement that particular opportunity so that if the administrators have the right to write the ticket for what is expected of the owner and the mortgagee, at least the door would be opened—perhaps—to be of some assistance, however marginal it might be, which would make it possible to preserve a project otherwise not preservable.

Mr. PROXMIRE. That might be possible. The Senator is suggesting a modification of his amendment.

Mr. JAVITS. That is right. Senator MOYNIHAN has such a modification. I have gone over it and, as I listened to the Senator, it struck me that might be the basis of his objection; because then, if a State project came in for this kind of help, it would be subject to the conditions and the controls and the stipulations which the housing authorities would make. So I respectfully suggest that the Senator might, as he and I have done these things before right on the floor, look at that and see if that is not worthy of being considered and accomplished.

Mr. PROXMIRE. I am still not clear as to the import of this modification.

Mr. JAVITS. Could we take a minute if I got unanimous consent to have a quorum?

Mr. PROXMIRE. Let us have a little discussion first; then I think a quorum might be appropriate before we decide what to do with this proposal.

First, I should like the Senator to indicate why a State project, where the State has all of the authority and responsibility for management and oversight, should get assistance from a limited fund when, obviously, it is not possible to help all of the Federal projects that need assistance.

Mr. JAVITS. For two reasons. One, because the authorizing legislation says so and it is the business of the authorizing committees to determine what shall be the policy of the United States. They have specified the policy of the United States.

Second, because the purpose of 236 was to get more housing and the States stepped into that breach—12 of them—and did give us more housing.

Third, the protection which the Federal Government needs against imposition is built into that concept which I have just described, so that, if it considers something worthy of some assistance, it can make that marginal difference.

The Senator may remember that I was the author of a great project called the ADELA investment, which was designed to encourage greater investments in development in countries which we were helping through a marginal investment. Often, they invested as little as 3 percent, sometimes as much as 20 percent, in order to get something going. To get it underway, to be the initiator of an effort which otherwise would not have happened. That is the same concept—and it is not mine. I credit Senator MOYNIHAN with it fully. It is so relevant to the argument which the Senator made that I propose it as a way which would be fair to us because of the original intention of

the Congress as expressed in the authorizing legislation, often at no real risk to either the other projects or to the administrator of the law.

He would have complete discretion. I have read the amendment carefully.

Mr. PROXMIRE. I think the Senator's proposal is something we might be able to consider and discuss during quorum call, but I would say I am very troubled. The Senate has just voted to maintain what I think is a very high level of revenue sharing. The States are in excellent fiscal shape compared to the Federal Government. The Governor of New York, in his inaugural address, said that Federal officials should come to New York to see that their government is not a growth industry and learn how to hold down spending. Then he comes to us and says, "We want you to spend an additional \$7 billion in revenue sharing to help out New York."

Mr. JAVITS. I say to Senator PROXMIRE, nobody knows about New York better than he. He does not need an education on that one.

Mr. PROXMIRE. The point is that the Federal Government is providing, as the Senator from New York knows very well, tremendous support for housing, including the section 236 program, which is a strictly federally funded program.

For that reason, I do have considerable reluctance.

But, Mr. President, I suggest the absence of a quorum so that we may discuss this, and I ask unanimous consent that the time not be taken out of either side on the amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment offered by the senior Senator from New York is withdrawn.

UP AMENDMENT NO. 467

(Purpose: To assist State-assisted troubled projects)

Mr. MOYNIHAN. Mr. President, I send to the desk an unprinted amendment on behalf of Senator JAVITS and myself, and I ask that the same cosponsors on the previous amendment be made cosponsors on this amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN), for himself and Messrs. JAVITS, MATHIAS, WILLIAMS, TSONGAS, RIEGLE, SARBANES, BRADLEY, KENNEDY, and LEVIN, proposes an unprinted amendment numbered 467.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 21, before the period insert "Provided, That assistance payments to an owner of a multifamily housing project assisted, but not insured, under the National Housing Act may be made if the project owner and the mortgagee have provided or agreed to provide assistance to the project in a manner as determined by the Secretary of Housing and Urban Development".

Mr. MOYNIHAN. Mr. President, this is a more modest and nonbinding measure to accomplish the purpose of the amendment of my senior colleague.

It will give the Secretary of HUD the opportunity to negotiate with and to set terms under which Federal assistance to troubled projects that are State financed under this Federal program would be possible.

It is my understanding that the distinguished managers of the legislation see the equity in it and are willing to accept this matter, for which we certainly accept their graciousness.

Mr. PROXMIRE. Mr. President, this is, I think, a much more moderate approach. It is a permissive approach.

Mr. MOYNIHAN. It is.

Mr. PROXMIRE. It is not mandatory, as the Senator already pointed out. It does not require action by the Federal Government, but it does permit them to help in the event we have a catastrophic situation.

I cannot resist pointing out, however, that the two great Senators from New York are about as skilled at getting action out of the Federal Government as any two Senators I have ever seen.

Once again, they have been triumphant. I congratulate them.

Mr. JAVITS. That is why we get such huge salaries.

Mr. MATHIAS. Mr. President, it seems to me this compromise does reach what is one of the very important purposes of this whole program, and that is to provide some incentive for the States to get into the business.

If a State administrator were to observe that he had a project which was beyond all help from this source, it would be a very discouraging prospect. It would be a disincentive to having the States carry some of this housing load.

So, at least, we have kept the door open. We have kept hope alive. I hope, as a result of this discussion in the Senate today, those who administer the program would understand that it is the purpose of the Senate that we should provide some equity between the projects federally sponsored and those State sponsored, because the people who live in them are very much the same people, and the burden should not fall unequally between them.

● Mr. BRADLEY. Mr. President, the flexible subsidy program should be made available to all projects developed under the Federal 236 program, be they insured or uninsured. With this view in mind, I support the amendment to include State-financed uninsured 236 projects in the flexible subsidy program.

The flexible subsidy program, formerly called the troubled projects program, was authorized as a part of the Housing and Community Development Amend-

ments of 1978. This program addresses deferred maintenance problems and operating deficits in multi-family housing projects under the HUD 236 program. As initially proposed, 236 projects financed by State agencies without Federal insurance were not included in the program. The program was originally limited only to federally insured 236 projects. During the deliberations on the 1978 housing bill, it was pointed out that there were no essential differences between the uninsured (State) and insured (HUD) projects except for the insurance factor. All 236 projects are designed for low and moderate-income persons, and the same basic contract procedures apply. As part of this agreement accepted by the Conference Committee on the Housing and Community Development Amendments of 1978, Congress decided to fund the insured projects only in fiscal year 1979, and to allow the State agency-financed uninsured projects to qualify beginning in fiscal year 1980.

S. 1149, the Housing and Community Development Amendments of 1979, passed by the Senate 2 weeks ago, also affirms the right of State-financed uninsured projects to be included in the program for fiscal year 1980. This position is identical with the House-passed version of the Housing and Community Development Amendments of 1979.

It was largely through the efforts of State agencies that the 236 program was begun more than 10 years ago. As the Congress fashions a program to assist projects developed under the 236 program, we should not make artificial distinctions between those which are insured or uninsured. Those who have made a good-faith effort to make the 236 program work should not be denied assistance when it is made available.

The New Jersey Housing Finance Agency has produced almost 12,000 units housing approximately 30,000 tenants under the 236 program. All of these units have been uninsured. The flexible subsidy program aims to help projects developed under the 236 program. If we are excluding a majority of the units developed under the 236 program, we cannot be devising a sound basis for the distribution of flexible subsidy assistance. Yet, this is precisely what we are doing in New Jersey's case.

I support the amendment to include State-financed uninsured 236 projects in the flexible subsidy program. Without this amendment, the Congress will be unfairly discriminating against thousands of 236 tenants across the Nation.

Mr. JAVITS. Mr. President, I yield back my time.

Mr. PROXMIRE. I yield back my time. The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from New York.

The amendment (UP No. 467) was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 385

Mr. RANDOLPH. Mr. President, I have a printed amendment at the desk, No. 385, and I ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH), for himself and Messrs. CRANSTON, DURKIN, THURMOND, STAFFORD, HUMPHREY, and STONE, proposes an amendment numbered 385.

The amendment is as follows:

On page 31, line 11, strike "\$5,000,000" and insert in lieu thereof "\$10,000,000".

Mr. RANDOLPH. Mr. President, I ask unanimous consent that Senators MATSUNAGA and SIMPSON be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, these two additional cosponsors join myself and Senators CRANSTON, DURKIN, THURMOND, STAFFORD, HUMPHREY, and STONE.

Mr. President, I have had the privilege of discussing this subject with the Senator from Wisconsin, the chairman of the committee (Mr. PROXMIRE). He told me that he would consider the amendment very carefully.

We desire in the amendment to extend the matching grant program for construction of State extended care facilities by \$5 million.

Section 5033(a) of title 38 authorizes appropriations for the program of matching grants of up to 65 percent of the costs to the States for the construction of State home facilities for furnishing hospital, domiciliary, and nursing home care to veterans who are eligible to receive similar Veterans' Administration care.

Congress appropriated \$10 million for this account for fiscal year 1979. Earlier this year both Houses passed legislation, H.R. 3892, authorizing appropriations of \$15 million for fiscal year 1980. However, the President requested \$5 million for fiscal year 1980 and the House on June 27 and the Senate Appropriations Committee on July 24 agreed to the President's request of \$5 million.

Mr. President, the administration position to cut the appropriation for the State home program directly contradicts the Veterans' Administration assertion that we need to expand existing facilities to accommodate the increasing number of elderly veterans who will need nursing home and domiciliary care. The Veterans' Administration has said that present VA facilities are not adequate to cope with the special needs of today's elderly veterans in that the VA's 88 nursing homes are filled to capacity with extensive waiting lists for admittance. The State nursing homes and domiciliaries also are operating at near capacity, at almost 100 percent capacity.

In testimony before the Veterans' Affairs Committee on April 10, 1979, the Veterans' Administration testified that

there are approvable applications from 17 States on hand willing to provide the 35-percent matching funds required for participation in the program. These requests total \$18,560,000 as of March 31, 1979. The VA testified it would only be able to fund three States' requests if the proposed \$5 million appropriation is approved. During the next 12 months the VA expects 22 States to submit applications totaling \$29.2 million.

The amendment I am proposing today would add \$5 million to the House-approved level placing the fiscal year 1980 appropriation at the present funding level, \$10 million.

Today's veterans population numbers 30 million. A year ago the number was 29,879,000. The increase is due to the fact that discharges from military service have been exceeding the number of deaths among veterans. The lower death rate, in turn, is a reflection of the increased life expectancy in the past few years.

The largest group of living veterans are those who served in World War II. These numbered 12,866,000 in November and their average age was just over 58 years. Only 653,000 veterans of World War I are still alive, with their average age 83.

The number of veterans 65 years of age or over will grow from 2.2 million in 1975 to 7.8 million by the year 2000. Assuming we are able to avoid major armed conflicts in the remainder of this century, these 7.8 million veterans will constitute almost 60 percent of all veterans.

These statistics justify a greater commitment to this program than the \$5 million that has been approved to date.

It was my privilege to chair a Veterans' Affairs Committee field hearing in Beckley, W. Va., on January 11, 1978. At the hearing we focused on the greatest challenges facing the VA and the aging veteran. The Veterans' Affairs Committee has committed itself—as Senator STAFFORD and others know—to the improvement of long-term care and the care of our elderly veterans.

A recent National Academy of Science report found the quality of VA nursing home care—particularly in its own facilities, and in community nursing homes with which it contracts—superior to the care provided in community nursing homes generally. Specifically, it found the overall quality of care to be adequate or better in half the VA nursing homes that it surveyed.

Health, education, and welfare data shows that the need, by men, for nursing home care increases from 0.06 percent before age 65, to 1.1 percent between ages 65–74, 4.1 percent between ages 75–84, and 18.0 percent after age 85. The need, by veterans, will increase throughout the remainder of this century and into the next. The VA has a large and growing program of long-term care. The State home program is a cost effective means of providing extended care for the substantial and growing numbers of eligible veterans.

Since enactment of legislation authorizing VA participation in the cost of constructing State nursing home care

facilities in August 1964, the VA has obligated funds in the amount of \$68,303,597 to support construction of 5,403 nursing home care beds. This averages \$12,642 for the VA's share of the cost of a bed, less than a third of what it would cost the VA to construct a similar facility.

The American Legion, Disabled American Veterans, and the Veterans of Foreign Wars support our amendment. Some might say that is natural, but these are the organizations that know the needs of the veterans. These are the organizations which, through their spokesmen, came before the Veterans' Committee and told us of these problems.

I urge my colleagues to support the amendment to add \$5 million to the committee approved level of \$5 million for a fiscal year total of \$10 million. In so doing, justice will be served.

Mr. PROXMIRE. Mr. President, I think we can act on this amendment one way or the other, up and down, very quickly. However, I do want to indicate why I must reluctantly oppose the amendment.

I have great respect for the Senator from West Virginia, and I think he made a most eloquent plea for helping our veterans. We should do so whenever we can.

We have to recognize, however, that this bill is already \$95 million over the amount the President requested for the veterans. This will make a \$100 million increase. The amendment would double the particular amount. It would raise it from \$5 million to \$10 million.

So I must resist the amendment, although, as I say, it certainly is for a superb purpose, and the Senator argues his case very well.

I think we can all agree that the construction of State extended care facilities for our veterans is most important. However, the amendment would double the administration's budget request for this program at a time when we are facing a \$1.7 billion increase in the amount allocated to us by the first concurrent resolution on the budget. Furthermore, I understand the VA plans to submit a more generous budget for this program in fiscal year 1981. Finally, a reauthorization of this program is currently pending before the Congress. As we indicate in our report, the committee is prepared to re-evaluate the needs of the program after the pending legislation passes. Given all of these circumstances, I would hope that the Senator would not press his amendment, and that we could wait until we have an opportunity to reconsider it as a part of the 1981 budget.

Mr. STAFFORD. Mr. President, will the Senator from West Virginia yield me 1 minute?

Mr. RANDOLPH. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. RANDOLPH. I yield the Senator from Vermont, a member of the Committee on Veterans' Affairs, such time as he requires.

Mr. STAFFORD. I appreciate the Senator's yielding to me.

Mr. President, the Senator from Vermont is a coauthor of the pending amendment, and I had hoped that the managers of the bill might accept this amendment.

I say to the distinguished manager on the majority side that I marched in his column twice this afternoon on very large amounts, and I regret that we did not win.

With respect to this very small amount, the Senator from Vermont thinks we are being pennywise and pound foolish if we do not make this extra \$5 million available for the purposes intended.

There is a State extended care facility for aged veterans in the State of Vermont, and our experience with it has been very good. Provision of living quarters and nursing care in this type of facility, as the distinguished Senator from West Virginia has pointed out, is much less expensive than doing it directly through the Veterans' Administration, with Veterans' Administration nursing homes.

In this particular instance, I hope that, in view of the sum involved, in part, the manager of the bill might see fit to accept the amendment.

Mr. PROXMIRE. Mr. President, I am ready to yield back the remainder of my time if the Senator from West Virginia is ready to yield back his time. We could then have a voice vote.

Mr. RANDOLPH. Mr. President, I appreciate the careful attention given to this amendment by Senator PROXMIRE and Senator MATHIAS.

I do not want to be one to stand here and say that if we do not do this, we are letting the veterans down. I do not want to do that. But I think the need for the kind of care that the amendment proposes for the veterans will help us in a continuing commitment for justice to the men and women who served in the armed forces of the United States, to keep our Nation free and safe from outside interference.

I am very grateful for the consideration of my colleagues and for the cooperation of Senator STAFFORD and others.

● Mr. CRANSTON. Mr. President, I join the distinguished Senator from West Virginia (Mr. RANDOLPH), my colleague on the Veterans' Affairs Committee, in the amendment to add \$5 million to the amount approved by the Appropriations Committee in the HUD-independent agencies appropriation bill for fiscal year 1980 for grants for construction of State extended-care facilities.

Mr. President, I realize that this amount is an increase over the \$5 million amount requested by the administration and approved by the House of Representatives and recommended by the Senate Appropriations Committee for this account. However, I believe such an increase is necessary. The funds under this account are used to assist States to construct extended-care facilities which, once constructed, provide badly needed facilities for a substantial and growing population of eligible elderly veterans. The funding of the construc-

tion of these State homes is on a matching fund basis with participating States paying 35 percent of the total costs.

Mr. President, for fiscal year 1979, the Congress appropriated \$10 million for this account. In this Congress, both Houses have passed legislation, in H.R. 3892, authorizing appropriations of \$15 million for fiscal year 1980. I can see no justification for a reduction to only \$5 million for fiscal year 1980. This program is a proven and cost-effective means of providing extended-care facilities for our elderly veteran population. In fact, the VA has assured the Veterans' Affairs Committee that applications in hand and expected from States willing to provide the matching funds will far exceed even the \$10 million level in fiscal year 1980.

Mr. President, in my July 17 letter to the distinguished floor manager, I urged that this amount be appropriated. I regret that the committee did not agree.

Therefore, Mr. President, I strongly urge my colleagues to support the amendment which the Senator from West Virginia (Mr. RANDOLPH) and I are offering to add an additional \$5 million to the account for grants for construction of State extended-care facilities. ●

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. RANDOLPH. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 468

Mr. WILLIAMS. Mr. President, I send an amendment to the desk and ask the clerk to state it.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New Jersey (Mr. WILLIAMS) (for himself, Mr. DOMENICI, Mr. SARABIAN, Mr. RIEGLE, Mr. KENNEDY, Mr. MCGOVERN, Mr. RANDOLPH, Mr. STEWART, Mr. SCHMITT, Mr. CRANSTON, Mr. WEICKER, Mr. BAYH, Mr. TSONGAS, Mr. HEINZ, and Mr. LEVIN) proposes an unprinted amendment numbered 468:

On page 3, line 18, strike out "\$800,000,000" and insert in lieu thereof "\$860,000,000".

Mr. WILLIAMS. Mr. President, this amendment is cosponsored by the distinguished ranking minority member of the Committee on Aging (Mr. DOMENICI) and 13 more of our colleagues. It will add to the fiscal 1980 loan fund for the section 202 elderly and handicapped housing program that amount of money which, according to the Congressional Budget Office, is necessary to reserve the same number of units in 1980 as we will in 1979.

This is not an expansion of this program. It is, rather, a modest—7½-percent—increase in funding to counterbalance the effect of inflation.

This increase is less than the overall rate of inflation.

This increase is less than inflation in housing construction costs.

The \$860 million loan figure which

we are proposing is less than the authorization level in both the bills that have been reported out, gone to the floor, from the Senate Committee and the House Committee on Housing. The authorization bill is higher than this figure that is in this appropriations amendment.

It is, I reiterate, a modest increase over last year. But it is needed to stabilize production under the 202 program while Congress awaits the cost reduction study and recommendations from HUD which were mandated by the 1979 housing authorization bill. And it is also needed as a sign that Congress wants to draw the line against the year-by-year cutbacks which have been eating away at this program.

I wish to briefly review the production record for my colleagues, for this RECORD, and for this debate.

In 1976, the year in which Congress reactivated section 202, funds were provided sufficient to reserve 29,857 units. This was close to the 30,000 annual unit level which had been envisioned by Congress.

By 1978, actual reservations had dropped by one-third, to 19,973 units.

The Congressional Budget Office estimates that the \$800 million appropriated for fiscal 1979 will reserve only 18,800 units. Thus, in 4 years the program has already been cut back nearly 40 percent.

CBO informed the Banking Committee that, if we do not go beyond the \$800 million level, we can expect section 202 reservations in 1980 to drop again, by nearly 10 percent, to 17,400 units.

There is certainly nothing in the record of this program to justify this constant attrition, year by year, cutting it back. In fact, there is wide agreement that the 202 program may well be HUD's finest. The quality of the housing built is exceptional, and there have been virtually no sponsor defaults in its entire history. This exemplary record is largely due to the high degree of community participation which is guaranteed through the sponsorship of dedicated, expert, nonprofit service organizations.

And the need of the elderly and the handicapped for decent, affordable, and appropriate shelter is certainly not declining.

In the case of the elderly, we know that their numbers will steadily increase through the end of this century and into the next. We know that housing is the number one expense for older Americans, and that 5 million elderly have been identified by HUD as in need of housing assistance. We know that waiting lists for existing 202 projects range in length from 2 to 5 years around the Nation. And we know that older homeowners are in need of shelter alternatives as the cost of maintaining their homes goes up due to increased energy and maintenance costs, and as our supply of rental housing is reduced by abandonment and conversions to condominiums.

This amendment will not meet all of the need that is out there. It will not get us back to the 30,000-unit level at which the program started. It will not even

begin to move us toward the 120,000 annual unit level which was recommended by the 1971 White House Conference on Aging. But at least it will hold the line against further cutbacks.

We may hear objections that this amendment will put the Housing appropriations bill above the budget. It is my understanding—and I know that Senator DOMENICI can with authority, add to this, as he was there—that the Budget Committee, during its markup, envisioned an \$875 million funding level for section 202 housing. Further, the budget impact will be mitigated. First, none of this money will be laid out for several years—initial project costs, such as land acquisition and site preparation, are paid out of the revolving fund consisting of repayments on past 202 loans. Second, all of this money will be repaid to the Federal Government, with interest equal to our cost of borrowing.

We should also keep in mind that constantly declining levels of production discourage the submission of applications to this program by those groups with limited financial resources—specifically, minority and rural sponsors, organizations seeking to assist the handicapped, and community groups wishing to use 202 projects as a centerpiece for neighborhood revitalization.

This level of 202 funding has been endorsed by the ad hoc Coalition for Housing for the Elderly—a group of 20 national organizations representing more than 15 million older Americans—and by the task force on housing of the consortium concerned with the developmentally disabled.

Mr. President, I ask unanimous consent that a communication dated July 27, 1979 to me from the American Association of Homes for the Aging and the ad hoc Coalition for Housing for the Elderly be printed in the RECORD.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

AMERICAN ASSOCIATION OF
HOMES FOR THE AGING,
Washington, D.C., July 27, 1979.
Hon. HARRISON A. WILLIAMS, Jr.,
U.S. Senate, Chairman, Subcommittee on
Housing and Urban Affairs, Russell Senate
Office Building, Washington, D.C.

DEAR SENATOR WILLIAMS: On behalf of the American Association of Homes for the Aging and the Ad Hoc Coalition for Housing for the Elderly, we write to encourage your continued efforts to increase the borrowing authority for the Section 202 Housing for the Elderly and Handicapped program from the Senate Appropriations Committee recommended level of \$800 million in fiscal year 1980 to \$860 million during the fiscal year.

The proposed slight increase in borrowing authority for the Section 202 program will just about sustain a current year operation production level of 18,860 units during the coming year. Inflation has seriously eroded the purchasing power of the Department. Per unit costs have escalated twofold during the past five years. The Section 202 program confronts an uncertain future where quality projects might be squeezed out of the marketplace, and/or reliable community responsive not-for-profit providers might be forced not to apply for funds because of the fiscal constraints imposed. The slight adjustment proposed by Senate advocates of quality housing programs makes a modest cost-of-

living increase to the appropriation level. The economic impact of this proposed change is slight, in as much as the Section 202 program is repaid by the sponsor. Additionally, as housing is an investment and a source of employment, the total macroeconomic impact is favorable.

Considerable public attention has been directed at the development of non-institutional alternative living arrangements for the elderly. The Senate has directed sizable investments in community service programs. In perspective, however, unless there is suitable housing, these approaches will suffer. The basic cost-conscious alternative to medical institutionalization for the elderly is quality housing. The Section 202 program has produced such quality shelter.

Your continued advocacy on behalf of older Americans is deeply appreciated.

Respectfully,

DAVID C. CROWLEY,
ACSW Executive Vice President, The
American Association of Homes for the
Aging.

WILLIAM D. HUGHES,
AAHA Director for Housing and Executive
Secretary, Ad Hoc Coalition for
Housing for the Elderly.

Mr. WILLIAMS. Mr. President, everyone of us is aware of the need for fiscal restraint in this time of inflation. But, in our efforts to curb the increase in the cost-of-living, we must be careful not to cut back on our assistance to those Americans most in need, and these are the young handicapped, and the older Americans struggling to make ends meet on small, fixed retirement incomes. So I urge upon my colleagues this amendment and their support. It is a modest step to prevent further declines in production in one of our best and most needed housing efforts.

I am very pleased again this year to have been joined in this effort by the most able Senator from New Mexico, Senator DOMENICI.

Mr. President, I ask unanimous consent to point out and correct a technical flaw and modify the amendment to read, "on page 4, line 5," rather than "on page 3, line 18".

The PRESIDING OFFICER. Without objection, the amendment is so modified. The modified amendment is as follows:

On page 4, line 5, strike out "\$800,000,000" and insert in lieu thereof "\$860,000,000".

Mr. DOMENICI. Mr. President, will the Senator yield me 5 minutes?

Mr. WILLIAMS. I will yield as much as the Senator needs that I may allow.

Mr. DOMENICI. Mr. President, I am pleased to join my good friend the distinguished Senator from New Jersey (Mr. WILLIAMS) in offering this amendment to provide \$860 million for section 202 housing for the elderly and handicapped.

As everyone is aware, the section 202 program is the Department of Housing and Urban Development's primary Federal financing vehicle for providing specialized housing for the elderly and handicapped under nonprofit sponsorship. As I stated during the debate on the authorizing legislation, this program has been HUD's most successful housing effort because of the absence of defaults, and because tenant turnover in existing projects is extremely low, indicating that

the section 202 projects and programs are meeting a real need in a cost-effective manner.

Our aging population is growing at a rapid rate, and yet we are not providing a supportive and specialized living environment so they can remain self-sufficient and independent members of our society.

In spite of a committee directive during the 1976 reauthorization of the section 202 lending authority that a minimum of 35,000 new units be constructed annually, the program peaked at a mark nearly 10,000 units fewer than the congressional mandate. In 1977, only 24,791 units were funded; in 1978, 19,973 units; and in 1979, 21,200 units. The administration's proposed 1-year reauthorization of the program is estimated to fund approximately 19,700 units in fiscal year 1980. However, even this proposal for a decrease in the Federal commitment is overly optimistic, since HUD has used an inflation rate for only 4 percent in making its calculations. Thus, in the 3 years since the previous reauthorization, production of units under the section 202 program has fallen nearly one-third short of its target.

The impact of this failure to comply with the congressional mandate falls heavily on the scores of elderly individuals who are in desperate need of suitable housing. And the situation can only get worse:

By the year 2000, 30.6 million people will be age 65, or over, one in 9 Americans. This constitutes a 35 percent increase (8 million persons) over the current population.

In 1975, four-fifths of all older persons living alone or with non-relatives had annual incomes under \$6,000, while less than one-half of non-elderly individuals are in that income category. Combining "poor" and "near poor" categories, we find 25 percent of all elderly in this category, versus 17 percent for the non-elderly.

Five million of the fifteen million households identified by HUD as in need of housing assistance are elderly. Their problems include both physically-deficient housing—a potential threat to health—and housing which costs more than they can afford.

Elderly households comprise 17 percent of all renter households, but they account for 35 percent of those with incomes below \$3,000. In 1976, 1.4 million elderly renters were at this very low income level. Similarly, elderly households are 22 percent of all owners, but 53 percent of all owners with incomes below \$3,000. In 1976, there were 1.6 million elderly owners with incomes below \$3,000.

Housing is the number one financial expenditure for the elderly. It accounts for over one-third of their budget. The very old—age 75 and over—pay 48 percent of their income for housing on the average.

Mr. President, these facts argue persuasively for the development of a specialized housing program for elderly persons. If the acute housing needs of the elderly in our country are going to be recognized and attempts made to alleviate them, then we in Congress must pay close attention to the needs of our rapidly rising elderly population and the effectiveness of our public policies in meeting those needs. Surely we have room to improve our commitment to the elderly in terms of providing more suitable housing.

Mr. President, I believe this amendment enhances our commitment to continue to provide adequate housing for elderly individuals desperately in need of such assistance. I respectfully urge my fellow colleagues to give their support to this amendment.

We are going to hear over the next few months, constant and repeated concern about the impact of ever-increasing energy costs on our senior citizens. We are going to hear proposals to provide help through the energy crisis. I think it would be rather ironic if while we attempted on the floor of the Senate and in the House to develop new programs to assist our senior citizens on fixed incomes through the energy crisis, that we cut the program that provides housing at a reasonable cost through nonprofit institutions and did not maximize the utilization of it for our senior citizens.

I understand this program also will help our handicapped. But, for the most part, it is the senior citizen on fixed income. I think we ought to go ahead with those programs such as section 202 that work, even if we had to say that part of this program would come out of the funds that we hope someday to be spending for senior citizens and our poor people who are adversely affected by the energy crisis.

But since we do not have that all put together, it seems to me we ought to support the Williams amendment today and set a higher rather than a lower goal for this type of housing.

Mr. President, I hope the Senate will go along with this amendment. As I indicated, it is a viable and successful program. The aforementioned usually indicates that it is being managed well. Those who live in 202 housing are responding well to the program.

I hope the Senate will adopt the Williams amendment. I thank him for yielding.

Mr. PROXMIRE. Mr. President, I will be very brief. I realize the arguments for this amendment are very appealing. All of us have 202 programs in our States. They are very successful. The elderly who will occupy them are delighted with them. The communities all welcome them, and they are probably the happiest and most successful housing programs we have ever had. They are good and wholesome programs, and it is tough to oppose them. But, once again I must point out that we already have a bill here that is \$1.7 billion over the budget resolution and the cruelest thing we can do to our senior citizens is to fuel the fires of inflation by spending more money.

The fact is more than 9 out of 10 of the elderly do not participate in the section 202 program and are not going to be in this program. They are outside of this program. They are going to be hit by inflation and are not going to be helped by this kind of additional funding.

Furthermore, Mr. President, of all those who need housing, the elderly are the ones who have been given the greatest consideration and the greatest help. The Government provides long-term loans to finance the construction and management of elderly housing projects under the section 202 program and the

section 8 program, also funded through this bill, and provides the tenants of these projects with a rental subsidy. So we should not further sweeten the pot and burst the budget by increasing the section 202 portion of this equation above the President's budget request.

This amendment provides \$60 million more than the President has requested, and it busts the budget.

Furthermore, every housing expert I have talked to has indicated that the one needy group that has been most helped by our housing programs has been the elderly. Eighty percent of the new section 8 units made available for occupancy since the program began have been for the elderly. Families are, of course, less attractive to the community because they bring with them education burdens, crime problems, and so forth. Their children have energy, and many of them create problems of various kinds. Families are not wanted, and family housing programs move very slowly. But the elderly are welcome and, consequently, those programs move ahead. We should not further skew the housing mix away from families and toward the elderly by boosting funding for the section 202 program above the budget request.

Incidentally, the Appropriations Committee acted on a similar amendment by voting against it, and I think we should consider that we have, as I said, done our best already for the elderly. They are taxpayers, too. Most of them would not benefit from this program, and would be hurt by the inflation, the additional taxes, and the additional burden that this program represents.

So I must rise in opposition to the program.

Mr. President, I think I am ready to yield back my time if the Senator from New Jersey is ready to yield back his time. I think there will be a substitute amendment for his amendment, if he is ready for that. It cannot be offered until our time is yielded back.

Mr. DOMENICI. Do we have the yeas and nays on our amendment? Has anybody asked for it?

Mr. PROXMIRE. We will not have to. Mr. WILLIAMS. We need to yield back time to get to the substitute.

I think the Senator from Michigan wanted to speak, perhaps now or on the substitute, either way.

Mr. RIEGLE. I think I prefer to wait.

Mr. WILLIAMS. I yield back my time.

Mr. PROXMIRE. I yield back my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. PROXMIRE. Yes, all time is yielded back.

I understand the Senator from Florida has a substitute amendment.

UP AMENDMENT NO. 469

Mr. CHILES. Mr. President, I send to the desk an amendment, an unprinted amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida (Mr. CHILES) proposes an unprinted amendment numbered 469.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 4, line 5, strike "\$800,000,000" and insert in lieu thereof "\$860,000,000."

Page 2, line 12, strike "1,140,661,000" and insert "1,135,191,000"

Mr. CHILES. Mr. President, the effect of this amendment would be to add 1,300 units of 202 funds and to cut 1,300 units of section 8 funds, so the effect of it would be—the numbers actually differ from that in order to get that kind of a substitution.

Mr. President, I listened to the arguments of the distinguished Senator from New Jersey. I agree with those arguments. I listened to the arguments of the distinguished Senator from New Mexico, and the ranking member of the Committee on Aging, and I certainly agree with those. I want to associate myself with the arguments.

I think 202 is the most effective and efficient program we have had. Certainly in section 8 and certainly for subsidized housing, it has been a boon to the elderly, and it needs more units, and it is not a program we should be cutting back. It is a program that I certainly want to see have more units, and I strongly want to support it having more units.

But the one thing the elderly in this country need in addition to housing, and many of them need that, is that they need some relaxation on inflation, and they certainly do not need any addition of inflation.

The thing that hurts the elderly more than anything else is the continually increasing and escalating rate of inflation. For us to be dealing with a budget here today that is adding to the inflationary pressures—and that is what this budget overall is doing—and to see that we have been unable to make any kind of cuts, whether they be revenue sharing or whether they be section 8 grants or whether they be anything else, and then say, "We are going to do something great for the elderly because we are going to add some more housing," you would be doing something good for the people who would get those houses, and it would be great for them, but you sure would not be giving a boon or a favor to the elderly, because you are saddling additional rates of inflation on them, and they are choking to death on it now.

I have had an opportunity, from the platform of sorts which I now have as chairman of the Senate Committee on Aging, to listen to many of the aging groups. The No. 1 problem that they raise, whether it is the National Council of Senior Citizens or any of the others that come before me, is the one on the basis of which they are choking, and they continually ask why are we not doing something about inflation, and they now talk more and more about doing something about this problem as well.

Mr. President, I think we will be able to provide those additional needs, to see that we do not cut back on the number of 202 units, which I do not want to

do and I do not believe most Senators want to do, and at the same time at least not inflate this bill any more; we will at least be able to stay within the numbers that have come out of the committee. And those numbers, I remind the Senate, are above the budget figures, the figures on which we based our budget.

We are now getting ready to move to the consideration of the second budget resolution, and we have already been told by the chairman of the committee that we are getting ready to face a \$35 billion deficit on the basis of the increases in some of the economic assumptions, the fact that many of the budgets are going above what was targeted for in the first budget resolution, and the fact that we have not been able to achieve the savings that we were projecting in the first budget resolution.

It seems to me that if we are concerned about keeping the 202 program at least at the level where it now is—and I am concerned about that—then we would want to adopt this substitute amendment, because we would keep it at that level and at the same time not be inflating this budget any further.

I would remind the Senate again that we had an amendment to cut section 8, because it was above the Budget Committee recommendation, and that amendment failed. This would mean that again we would stay with that overall number on section 8, but we would be transferring or at least reserving a portion of those funds, to see that we were going to build the right number of 202 units.

Mr. President, I reserve the remainder of my time.

Mr. WILLIAMS. Mr. President, I know it is important to be very brief, because some who want to vote on this measure will not be here.

The PRESIDING OFFICER. The Chair must inform the Senate that the amendment offered by the Senator from Florida is not in order as a substitute. It is broader than the pending amendment in that it purports to amend a portion of the bill not touched by the amendment offered by the Senator from New Jersey.

Therefore, the amendment is not in order.

Mr. WILLIAMS. I call for the yeas and nays on the amendment I have offered.

The yeas and nays were not ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time not be taken out of either side. Only for a couple of minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Is the parliamentary situation that, the Chair having ruled that the Chiles amendment was not in

order, the question reverts to the Williams amendment that was pending?

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. The vote is up or down on the Williams amendment?

The PRESIDING OFFICER. On the Williams amendment.

Mr. PROXMIRE. Mr. President, I guess all remaining time is yielded back and we are ready for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey (Mr. WILLIAMS).

The amendment (UP No. 468, as modified) was agreed to.

Mr. PROXMIRE. Mr. President, as I understand it, there are no more amendments. We had a list of amendments. If any Senator has additional amendments, I assume he will let us know.

Does the Senator from Maryland know of other amendments?

Mr. MATHIAS. I know of no further amendments.

Mr. PROXMIRE. If there are no further amendments, let me make one brief statement before I yield back the remainder of my time. With a heavy heart I am going to vote against the bill that I managed, a bill that came out of the subcommittee of the Appropriations Committee of which I am chairman.

I know it is unusual for a bill manager to vote against his own bill but I have no other alternative. This bill is \$1.8 billion over the budget resolution. Today we added \$684 million in revenue sharing funds, \$25 million for veterans medical care, \$5 million for veterans State homes and \$60 million for the 202 housing program. That excessive amount over the budget resolution just makes it impossible for me to support this bill. I say so with reluctance but I must take that position.

Mr. MUSKIE. Will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MUSKIE. I appreciate the statement the Senator has made. As I indicated in my statement earlier this morning, if the bill was not reduced, I, too, would oppose it. It has been increased by some \$700 million, so I will join the Senator in voting against the bill. I know of no other way to indicate that we are going to substantially breach the budget if we start with this momentum in the first appropriations bill and we are continuing. I do not know what the end will be, but I expect the Senate will be shocked when we get to the second budget resolution which will increase a sharply increased budget deficit.

Mr. PROXMIRE. I yield to the Senator from Idaho.

Mr. CHURCH. I have just listened to the statements made by the manager of the bill and by the able chairman of the Budget Committee. I am inclined very much by the force of their argument to follow their example. I do not know how we are going to bring Federal spending under control unless we heed our own actions when we pass the budget resolutions.

In view of the provisions now in the bill before the Senate—\$700 million over the budget resolution—the course of ac-

tion decided upon by the two Senators to vote against this bill is one that I, too, will follow.

Mr. MATHIAS. Mr. President, I respect, certainly, the concern which has been expressed by the distinguished Senator from Wisconsin, the manager of the bill, the distinguished Senator from Maine, and the distinguished Senator from Idaho because the concerns they express are very real and they are concerns that I share. But it seems to me we have to look at life as it is, not as life has been portrayed somewhere.

In looking at the housing needs of the country, the President sent us a budget request which was almost \$800 million more than the bill as it stands at this moment in the Senate. The President's judgment as to what we were going to need to spend were nearly \$800 million more than the Senate at this point is being asked to appropriate. The committee has worked its way through the bill at various committees levels. The Senate has taken some actions today which have affected the spending levels in the bill. These are the corporate judgments of this institution as to what we need to do to provide shelter for Americans, a very basic human need.

The fact that it is exceeding the budget resolution is a matter, I think, that we can take for granted, but we are talking about two different legislative actions. There is the legislative action involving the budget resolution and there is the legislative action that we are proposing to take here. Both of them cannot be right. It may be that we are more nearly right in our judgment here than we were in the budget resolution. In fact, it is perfectly clear that there were some assumptions which went into the first concurrent budget resolution which have proven to be in error. Those assumptions, having proven to be in error, should not necessarily be the criteria by which we make our decision here today. This decision, it seems to me, has to be governed by that careful balance of fiscal prudence and human need which is represented by the final version of this bill which is now before the Senate, and which, in about 60 seconds, will be voted upon.

Before we close this debate, however, I want to renew my thanks not only to my distinguished colleague from Wisconsin but also to the members of the staff without whom I think we could hardly have brought this bill to this point. It has taken many, many hours of arduous work on behalf of the staff. Their contribution here should certainly be recognized. I want to express my appreciation to them.

Mr. President, I think this bill, as finally worked out, certainly is not going to satisfy everyone. It is not going to satisfy a lot of the people of America looking for shelter. It is not going to satisfy those who would like to see the Federal pursestrings tighter than they are. But it does represent the best compromise, the best balance, that we could achieve. I think it is deserving of support from a majority of the Members of the Senate.

Mr. PROXMIRE. Mr. President, I want to say what a pleasure it always is to work with the Senator from Maryland. He is tremendously effective, wise, and intelligent—even though he is often wrong, as he is in this case. I admire and respect him. I am ready to yield back my time, if the Senator is willing to yield back his. I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. WILLIAMS. Mr. President, I am pleased to support this bill to appropriate funds to meet this Nation's housing and community development needs for 1980.

As Chairman of the Subcommittee on Housing and Urban Affairs, I have a very specific and profound concern for the needs of our citizens, especially those who are forced to live in inadequate, substandard shelter or shelter beyond their financial means.

As we enter a period of continuing and even increasing inflation, the cost of decent housing has become almost prohibitive for many Americans. Many families' ability to set aside even a constant proportion of their budget for shelter has been eroded, especially in light of steep rises in energy costs. More than any other segment of our society, the elderly, the unemployed, the handicapped, and those on fixed incomes are the most susceptible, and, increasingly, the displayed victims of an unstable economy.

Mr. President, those factors, brought out in testimony before my subcommittee, created apprehensions on my part when efforts were made in this body to change the mix of unit types from the Department's proposed levels as reflected in the housing assistance plans. These recommendations, had they been accepted, would surely have exacerbated the pattern of problems which have had such an effect on housing in this country.

We developed the concept of housing assistance plans initially to provide a mechanism to reflect local housing requirements. In this way, we could respond flexibly to each community's need, rather than imposing an inflexible and unresponsive Federal standard. It was made clear to our committee that we have a grave shortage of housing stock in virtually every region of this country. If changes in this legislation, to reduce assistance for new and substantially rehabilitated units, were to be enacted, it would not only be a repudiation of our recognition of local requirements and expertise, but would have an immediate as well as long-term adverse impact on all of us. By not increasing the housing stock in a manner consistent with needs, we would surely inflate housing costs in nearly every community where we were unable to approach the HAP goals. Not only would those in need of shelter have a smaller market to choose from, but as vacancies dried up, costs for all housing would almost surely increase at a level much more rapid than even the distorted rate of the last 18 months.

Consequently, I am pleased at the committee bill's retention of the HAP mix, just as I commend the committee mem-

bers for rejecting the attempt to lower still further the level of assisted housing.

Although the committee level for assisted housing represents a higher amount than some Members had sought, it is nowhere near adequate to meet the estimated annual requirements over the next decade. Thus, although I recognize the need for prudent Federal spending, I am concerned that this year will see a shortfall of some 300 to 400,000 units. Many of those excluded by this shortfall will be newly formed families with few, if any, alternatives but to join the long line of those who have been promised decent shelter, but have never received more than a promise. It is tragic that rather than making progress toward our commitment, it appears we are straying farther and farther from our goals of providing decent shelter to all Americans in need.

I would like to mention other areas of the bill about which I am particularly concerned.

The urban development action grant program has been increased by \$275 million to reflect the substantive benefits this program has demonstrated in establishing a partnership between the private sector and the Federal Government to rejuvenate our distressed urban areas. This program has brought unique opportunities for employment and new life to many inner city areas that would, prior to this program, simply have been written off, and forgotten.

The committee also wisely funded the congregate housing services program, which I was pleased to author last year. This program is an effort to prevent the unnecessary and costly institutionalization of our elderly and handicapped. It is designed to encourage the development of specially designed residential housing through the guarantee of long-term support services. The funding approved by the committee will allow the program to continue for a second year.

Appropriations for the troubled projects program has been maintained. Although I am disappointed that State housing finance agency projects are excluded, this program will serve to insure the financial stability of existing rental housing projects, thereby protecting tenants from higher rents. It will preserve and improve existing projects and their impacted neighborhoods, and it will prevent potential losses to the insurance funds resulting from project insolvency.

I am grateful for the committee's inclusion of \$3.7 million for fair housing. Despite the existence of fair housing laws in 37 States which reflect the intent of title VIII, only 9 States have had the financial resources to accept cases referred by HUD. Many State and local fair housing agencies have done outstanding jobs, such as the Fair Housing Council of Bergen County in my State of New Jersey, but these efforts to assist women, to assist the handicapped, to assist minorities have been severely hampered by the lack of adequate resources. Through the committee's actions—and particularly thanks to Senator BAYH and Senator MATHIAS—many of

these agencies will now be given an opportunity to carry out the Federal law.

Finally, I would like to commend the committee for its appropriation of construction funds for the Veterans' Administration hospital planned for Camden, N.J. This project has been envisioned by the people of my State for almost a decade, and it is indeed gratifying to see it move significantly closer to reality as a result of the committee's endorsement.

The hospital is to be built in conjunction with the Cooper medical facility and the southern extension of the New Jersey School of Medicine, thereby providing a fine, new and badly needed modern medical complex for veterans and others throughout southern New Jersey. The medical facility will also mean new jobs and economic activity in a city that has more than its share of problems.

Mr. President, the committee has produced a bill that contains the funding necessary to maintain a variety of essential agencies and programs. While I personally feel that some issues addressed by the bill should have received additional appropriations in light of the pressing needs that exist, particularly in the area of housing, I am willing to lend it my support, and urge my colleagues to do the same.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. MATHIAS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUE), the Senator from Louisiana (Mr. LONG), the Senator from Maryland (Mr. SARBANES), the Senator from Arkansas (Mr. PRYOR), the Senator from Mississippi (Mr. STENNIS), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Illinois (Mr. PERCY), the Senator from South Dakota (Mr. PRESSLER), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

On this vote, the Senator from Illinois (Mr. PERCY) is paired with the Senator

from South Carolina (Mr. THURMOND). If present and voting, the Senator from Illinois would vote "yea" and the Senator from South Carolina would vote "nay."

The PRESIDING OFFICER (Mr. TSONGAS). Are there other Senators who wish to vote?

The result was announced—yeas 60, nays 25, as follows:

[Rollcall Vote No. 232 Leg.]

YEAS—60

Baker	Durkin	McGovern
Baucus	Ford	Melcher
Bayh	Glenn	Metzenbaum
Biden	Gravel	Morgan
Boren	Hart	Moynihan
Bradley	Jeffords	Nelson
Bumpers	Hayakawa	Packwood
Burdick	Hefflin	Fell
Byrd, Robert C.	Helms	Randolph
Cannon	Hollings	Ribicoff
Chafee	Jackson	Riegle
Cochran	Javits	Sasser
Cohen	Johnston	Schmitt
Cranston	Kassebaum	Schweiker
Culver	Kennedy	Stafford
Danforth	Leahy	Stevens
DeConcini	Levin	Stewart
Dole	Magnuson	Talmadge
Domenici	Mathias	Tsongas
Durenberger	Matsunaga	Williams

NAYS—25

Bentsen	Helms	Roth
Boschwitz	Humphrey	Simpson
Byrd	Jepson	Stone
Harry F., Jr.	Laxalt	Tower
Chiles	Lugar	Wallop
Church	McClure	Warner
Evon	Muskie	Young
Garn	Nunn	Zorinsky
Hatch	Proxmire	

NOT VOTING—15

Armstrong	Inouye	Sarbanes
Bellmon	Long	Stennis
Eagleton	Percy	Stevenson
Goldwater	Pressler	Thurmond
Huddleston	Pryor	Weicker

So the bill (H.R. 4394), as amended, was passed.

Mr. PROXMIRE. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer (Mr. TSONGAS) appointed Messrs. PROXMIRE, STENNIS, BAYH, HUDDLESTON, LEAHY, SASSER, DURKIN, MAGNUSON, MATHIAS, BELLMON, WEICKER, LAXALT, SCHMITT, and YOUNG, conferees on the part of the Senate.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, today the Senate has completed action on H.R. 4394, the fiscal 1980 appropriations bill for the Department of Housing and Urban Development and 20 independent agencies.

None of us need to be reminded that the chairman of the Appropriations Subcommittee with jurisdiction over this area, and able manager of the bill, Mr. PROXMIRE, also serves as chairman of the Banking, Housing, and Urban Affairs Committee. Senator PROXMIRE thus brings unique expertise leadership to the area of housing and community development policy.

Two weeks ago the Senate passed the

authorizing legislation for housing and community development programs. In considering that bill, Members were of different minds as to what the optimum funding levels should be. The quality of debate which ensued could not have been more informative for those Senators, such as myself, who do not serve on the Housing Committee. The issues involved in balancing the need for fiscal restraint against the needs of the housing assistance, particularly for the poor and elderly living on fixed incomes, are not easily resolved.

The measure which passed the Senate represented a lower level of authorization than the bill reported. However, it was a good bill when it was reported and a good bill when it was passed.

The bill before the Senate is a complicated bill. It provides funding for a wide range of programs in addition to those of housing and community development. Senator PROXMIRE and Senator MATHIAS, the ranking minority member of the Department of HUD and Independent Agencies Appropriations Subcommittee, have effectively worked together to produce an excellent bill. The two Senators often find themselves in friendly disagreement. Once again, the Senate and public benefit from a process which encourages expression and resolution of competing and innovative ideas. The expertise and concern which Senators PROXMIRE and MATHIAS bring to this area—and their different viewpoints—have constructively helped shape this bill.

Funding provided by the bill will touch the lives of many Americans. It provides sufficient funding to continue the Federal commitment to help both urban and rural Americans find a decent place to live. It continues the Federal effort to fight for and maintain the quality of this country's air and water. It funds medical and other services to this Nation's veterans. It continues Federal research efforts in such agencies as the National Science Foundation and the National Aeronautics and Space Administration.

I want to thank the members of HUD and Independent Agencies Subcommittee, and of the full Appropriations Committee for the time and efforts they have devoted to reporting this bill.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 30 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RULES COMMITTEE ACTS ON AIR-LINE COUPONS—COMMENDATION TO SENATORS PELL AND HATFIELD

Mr. PERCY. Mr. President, I would like to commend the Senate Rules and

Administration Committee for its action on July 13 when it adopted an amendment to the travel regulations of the Senate regarding the use of discount coupons received by Senators and Senate employees when on official travel.

On June 6 I introduced, along with Senator GOLDWATER, a resolution directing Senators and Senate employees to turn in any discount coupons received during official travel to offset the cost of further official trips. At that time, I was concerned that these coupons, obtained with public funds, might be used to purchase airline tickets at reduced cost for personal travel, depriving the taxpayers of savings that are rightfully their own. My intention was to bring this matter to the attention of my colleagues and ask the Senate to adopt a clear-cut policy on the use of these coupons so there would be no misunderstanding about who should be the proper beneficiary of future discount travel.

On June 14 in a meeting of the Senate Rules Committee, the distinguished chairman and ranking minority members, Senators PELL and HATFIELD, addressed the subject of this resolution and agreed that an amendment to the Senate travel regulations would be appropriate to clarify and reinforce Senate policy on this matter.

At its next meeting, which was July 13, the committee adopted the amendment and the text reads as follows:

Discount coupons or other evidence of reduced fares, obtained on official travel, shall be turned in to the office for which the travel was performed, so that they may be utilized for future official travel.

This new regulation clearly states the policy of the Senate regarding the use of these coupons or any other form of discount fares for all modes of public transportation.

Again, Mr. President, I commend Senators PELL and HATFIELD for their leadership in this matter and the Rules Committee as a whole for its action on behalf of the taxpayers of this country.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirton, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

AGREEMENT BETWEEN THE UNITED STATES AND AUSTRALIA CONCERNING PEACEFUL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT—PM 90

The PRESIDING OFFICER laid before the Senate the following message

from the President of the United States, together with accompanying papers, which was referred to the Committee on Foreign Relations, the Committee on Governmental Affairs, and the Committee on Energy and Natural Resources, jointly by unanimous consent:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to Section 123 d of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(d)), the text of the proposed Agreement Between the United States and Australia Concerning Peaceful Uses of Nuclear Energy and accompanying annex and agreed minute; my written approval, authorization and determination concerning the agreement; and the Memorandum of the Director of the United States Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretaries of State and Energy, which includes a summary analysis of the provisions of the agreement, and the views of the Members of the Nuclear Regulatory Commission are also enclosed.

The proposed agreement with Australia is the first such agreement submitted to the Congress since enactment of the Nuclear Non-Proliferation Act of 1978, which I signed into law on March 10, 1978 and which, among other things, calls upon me to renegotiate existing peaceful nuclear cooperation agreements to obtain the new provisions set forth in that Act. In my judgment, the proposed agreement for cooperation between the United States and Australia, together with its agreed minute, meets all statutory requirements.

I am particularly pleased that this first agreement is with Australia, a strong supporter of the Non-Proliferation Treaty and of international non-proliferation efforts generally. The proposed agreement reflects the desire of the Government of the United States and the Government of Australia to update the framework for peaceful nuclear cooperation between our two countries in a manner which recognizes both the shared nonproliferation objectives and the close relationship between the United States and Australia in the peaceful applications of nuclear energy. The proposed agreement will, in my view, further the nonproliferation and other foreign policy interests of the United States.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution, and urge that the Congress give it favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, July 27, 1979.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the President of the United States, received earlier today, relative to a proposed agreement between the United

States and Australia concerning peaceful uses of nuclear energy, be jointly referred to the Committees on Foreign Relations, Governmental Affairs, and Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:28 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to H.R. 4389, an act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. NATCHER, Mr. FLOOD, Mr. SMITH of Iowa, Mr. PATTEN, Mr. OBEY, Mr. ROYBAL, Mr. STOKES, Mr. EARLY, Mr. WHITTEN, Mr. MICHEL, Mr. CONTE, Mr. O'BRIEN, and Mr. PURSELL were appointed managers of the conference on the part of the House.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4453. An act to amend the Saccharin Study and Labeling Act to extend to June 30, 1981, the ban on actions by the Secretary of Health, Education, and Welfare respecting saccharin.

At 3:20 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to H.R. 1786, an act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3996. An act to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 4453. An act to amend the Saccharin Study and Labeling Act to extend to June 30, 1981, the ban on actions by the Secretary of Health, Education, and Welfare respecting saccharin; to the Committee on Labor and Human Resources.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read twice by its title and placed on the calendar:

H.R. 3996. An act to amend the Rail Passenger Service Act to extend the authorizations of appropriations for Amtrak for 3 additional years, and for other purposes.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which are referred as indicated:

EC-1870. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Family Farmers Need Cooperatives—But Some Issues Need to be Resolved," July 26, 1979; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1871. A communication from the Assistant Administrator for Management, Policy, and Budget, General Services Administration, transmitting, pursuant to law, a Statistical Supplement Stockpile Report, October 1978 through March 1979; to the Committee on Armed Services.

EC-1872. A communication from the Deputy Secretary of Defense, reporting, pursuant to law, on corporations which come under the provisions of Office of Management and Budget Policy Letter No. 78-6, Wage and Price Standards for Federal Contractors; to the Committee on Armed Services.

EC-1873. A communication from the President of the United States, transmitting a draft of proposed legislation to establish a Solar Energy Development Bank to help make available below-market interest rate loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-1874. A communication from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a statement with respect to a credit of \$63,750,000 available to ALIA—The Royal Jordanian Airline Corporation (ALIA) to facilitate the purchase in the United States by ALIA of four new Boeing 727-200 jet aircraft, spare engines and related parts and services; to the Committee on Banking, Housing, and Urban Affairs.

EC-1875. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notice that the Commission is unable to render a final decision in Docket No. 37105, Increased Rates on Coal, Colstrip and Kuehn, MT to Minnesota, within the initially specified 7 month period; to the Committee on Commerce, Science, and Transportation.

EC-1876. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notice that the Commission is unable to render a decision in Docket No. 37093, Joint Rates Via the Ann Arbor Railroad System, December 1978, within the initially specified 7 month period; to the Committee on Commerce, Science, and Transportation.

EC-1877. A communication from the Secretary of the Interior, transmitting, for the information of the Senate, his views on the bill S. 14 (which amends the Reclamation Act) and possible amendments thereto; to the Committee on Energy and Natural Resources.

EC-1878. A communication from the Secretary of the Interior, transmitting, pursuant to law, an application by the Lewiston Orchards Irrigation District of Lewiston, Nez Perce County, Idaho, for a loan under the Small Reclamation Projects Act; to the Committee on Energy and Natural Resources.

EC-1879. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a final environmental impact statement (FEIS) and supplemental information on Kaskaskia Island Drainage and Levee District, Illinois, project; to the Committee on Environment and Public Works.

EC-1880. A communication from the Act-

ing Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to authorize additional appropriations for the Department of State for Migration and Refugee Assistance for fiscal years 1980 and 1981; to the Committee on Foreign Relations.

EC-1881. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Civilian Audit Organizations Have Often Been Unsuccessful in Obtaining Additional Staff," July 27, 1979; to the Committee on Governmental Affairs.

EC-1882. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a summary of responses (proposals for action or reasons for inaction) for the report of the Board of Visitors to the United States Air Force Academy made to the President on 22 December 1977; to the Committee on Governmental Affairs.

EC-1883. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-1884. A communication from the Comptroller General of the United States, reporting, pursuant to law, on a comprehensive study of the Senate's and House's financial disclosure systems; to the Committee on Governmental Affairs.

EC-1885. A communication from the Director, Office of Administration, Nuclear Regulatory Commission, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-1886. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-1887. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Passive Restraints for Automobile Occupants—A Closer Look," July 27, 1979; to the Committee on Governmental Affairs.

EC-1888. A communication from the President, United States Capitol Historical Society, transmitting, pursuant to law, the Society's financial report for the year ended January 31, 1979; to the Committee on the Judiciary.

EC-1889. A communication from the Director, National Institute of Corrections, transmitting, pursuant to law, the Institute's third annual report; to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-408. A resolution adopted by the Senate of the Legislature of the State of Massachusetts; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent:

"RESOLUTIONS

"Whereas, many Americans are denied medical treatment because of the escalating costs of hospitalization, physician fees and insurance coverage; and

"Whereas, the health plan of President Carter would use private insurance firms to finance health care with the premiums coming mostly from employers, employees and general tax revenues with no increase in payroll taxes; would include steps to control costs and stress preventive medicine, including a pilot program in preventive care; would expand coverage for the poor,

the nearly poor, the elderly and disabled; would expand and reform Medicaid and Medicare; would cover catastrophic costs of a family above twenty-five hundred dollars a year; and would be the basis for a later comprehensive program; now, therefore, be it

"Resolved, that the Massachusetts Senate wholeheartedly applauds President Carter's tireless efforts and endorses the Carter health plan as best addressing the goal of health care for all Americans, and respectfully urges the United States Congress to enact such legislation this year; and be it further

"Resolved, that copies of these resolutions be transmitted forthwith by the clerk of the Senate to each Member of Congress from the Commonwealth."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a resolution adopted by the Massachusetts State Senate, relative to the President's national health plan, be jointly referred to the Committees on Finance and Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

POM-409. A resolution adopted by the City Council of Lakewood, Ohio, urging the appropriate elected representatives to the Congress of the United States to support H.R. 2215 to eliminate the reduction in Social Security benefits for spouses and surviving spouses receiving certain Government pensions; to the Committee on Finance.

POM-410. A petition of the Passaic County Grand Jury, Paterson, New Jersey, relating to the presentment of the Paterson Task Force for Community Action, Incorporated; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Veterans' Affairs, with an amendment and an amendment to the title:

S. 689. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children, and for other purposes (Rept. No. 96-260). Referred to the Committee on Appropriations for not to exceed 15 days, pursuant to section 401 (b) (2) of Public Law 93-344.

FOOD STAMP ACT AMENDMENTS OF 1979

By Mr. MCGOVERN, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 4057, an act to increase the fiscal year 1979 authorization for appropriations for the food stamp program (Rept. No. 96-261).

By Mr. RIBICOFF, from the Committee on Governmental Affairs, with an amendment:

H.R. 3824. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval (Rept. No. 96-262).

By Mr. RIBICOFF, from the Committee on Governmental Affairs, without amendment:

H.R. 3914. An act to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid

transit system of the National Capital Region (Rept. No. 96-263).

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 198. A resolution increasing the limitation on expenditures by the Select Committee on Intelligence for the procurement of consultants (Rept. No. 96-264).

S. Res. 201. A resolution increasing the limitation on expenditures by the Committee on Commerce, Science, and Transportation for the training of professional staff (Rept. No. 96-265).

S. Res. 204. A resolution increasing the limitation on expenditures by the Committee on the Budget for the procurement of consultants and authorizing expenditures by such committee for the training of its professional staff (Rept. No. 96-266).

S. Res. 208. An original resolution relating to the purchase of calendars (Rept. No. 96-267).

S. Res. 209. An original resolution authorizing the printing of a compilation of materials entitled "History of the Committee on Rules and Administration," as a Senate document (Rept. No. 96-268).

S. Res. 210. An original resolution temporarily suspending paragraph 1 of rule IV of the Rules for the regulation of the Senate Wing of the United States Capitol to permit a photograph of the Senate in session.

S. Res. 211. An original resolution to pay a gratuity to Johanna B. Salvetti.

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry:

Special Report entitled "Allocation of Budget Totals for Fiscal Years 1979 and 1980" (Rept. No. 96-269).

By Mr. BURDICK, from the Committee on Environment and Public Works and the Committee on Banking, Housing, and Urban Affairs, jointly, with an amendment:

S. 914. A bill to provide public works, business financing, and other development assistance to alleviate economic distress (together with additional views) (Rept. No. 96-270).

By Mr. FORD, from the Committee on Energy and Natural Resources, with an amendment and an amendment to the title:

S. 1403. A bill to amend sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87), and to provide a 7-month extension for the submission and approval of State programs or the implementation of a Federal program (together with additional and minority views) (Rept. No. 96-271).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. Res. 212. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 914. Referred to the Committee on the Budget.

Mr. PROXMIRE. Mr. President, the Senator from West Virginia is a tremendously persistent and more effective majority leader, and I say that because he has been so persistent getting me to get some action on this EDA bill, and I am delighted to tell him I am filing a budget waiver resolution right now to permit us to act on the EDA bill very promptly.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. PROXMIRE. I am doing that primarily because the majority leader has been so insistent in asking that we get action on it.

So I send a waiver to the desk and ask for its appropriate reference.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Wisconsin

has always been most cooperative and understanding of the problems and cooperative with the leadership in attempting to expedite the legislation in a reasonable way, and I think what he has done in this instance is typical and demonstrative with his fine attitude and splendid workmanship and teamwork that he demonstrates.

Mr. PROXMIRE. I thank the Senator. Mr. ROBERT C. BYRD. I thank him for his good work.

The PRESIDING OFFICER. The resolution will be received.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

George Herbert Patrick Bursley, of Maryland, to be a Member of the National Transportation Safety Board.

Stuart M. Statler, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission.

(The above nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. CANNON. Mr. President, as in executive session, I also report favorably sundry nominations in the National Oceanic and Atmospheric Administration and the Coast Guard which have appeared previously in the RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on July 9 and July 16, 1979, at the end of the Senate proceedings.)

AUTHORITY FOR COMMITTEE ON ENERGY AND NATURAL RESOURCES TO FILE A REPORT UNTIL 7:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources have until 7:30 p.m. this evening to file the report on S. 1403, a bill to amend the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STONE:

S. 1591. A bill to amend the Internal Revenue Code of 1954 to permit individuals to deduct separately-stated State and local utility taxes on amounts paid for heating and cooling their homes, whether or not they

itemize deductions; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. HEINZ and Mr. LUGAR):

S. 1592. A bill entitled the "Financial Regulation Simplification Act of 1979"; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MATHIAS:

S. 1593. A bill for the relief of Panivons Norindr; to the Committee on the Judiciary.

S. 1594. A bill for the relief of Panisovk Norindr; to the Committee on the Judiciary.

By Mr. MORGAN (for himself and Mr. TSONGAS) (by request):

S. 1595. A bill to establish a Solar Energy Development Bank to help make available below-market interest rate loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PELL:

S. 1596. A bill to consent to the institution of an action in the United States District Court for the District of Rhode Island for the adjudication of the claim of Charles E. Day, Sr. and Mary Day, husband and wife against the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STONE:

S. 1591. A bill to amend the Internal Revenue Code of 1954 to permit individuals to deduct separately-tested State and local utility taxes on amounts paid for heating and cooling their homes, whether or not they itemize deductions; to the Committee on Finance.

● Mr. STONE. Mr. President, today I am introducing legislation which would provide for a Federal tax deduction in the amount of State and local taxes individuals must pay on their utility bills for heating and cooling their homes. This deduction would be available for those taxpayers who do not itemize their deductions as well as those who do.

Mr. President, in this time of spiraling energy costs, especially utility bills, my bill is one way we can ameliorate the impact of these costs, especially for those living on low or fixed incomes. In Florida, for example, the average utility customer would be permitted a deduction of \$37 in computing his Federal income tax liability.

With taxes so high, in addition to unrestrained inflation, it is unfair for taxpayers to have to pay taxes twice on the same income. Under present law individuals pay State and local utility taxes and then are required to pay Federal tax on that same income, which is used to purchase needed electricity or gas. We must relieve this burden.

I believe we must provide relief, especially to our elderly who are on fixed incomes. These people must heat and cool their homes. With double-digit inflation, how can we expect them to continue to meet the costs of these necessities? Unfortunately, it is unlikely that fuel prices themselves can be controlled in the short term. Therefore, we must look for every reasonable approach to ease the burden of utility expenses for the American consumer.

Mr. President, my bill is not a great drain on the U.S. Treasury. For fiscal

year 1980, the revenue loss is estimated to be less than \$128 million. The following table gives the calendar year and fiscal year revenue loss estimates for 1980-84. These estimates are overstated because telephone utility taxes are included, and they will not be deductible under my bill.

Given the fairly low revenue loss estimates, I feel that this is a must-pass piece of legislation. We have to assist our low-income and fixed-income families to meet their energy needs without suffering undue sacrifices and hardships.

Mr. President, I ask unanimous consent that the table and the text of my bill be printed in the RECORD.

There being no objection, the table and bill were ordered to be printed in the RECORD, as follows:

*Estimated Revenue Loss **
[Dollars in million]

	1980	1981	1982	1983	1984
Calendar ----	778	933	1,120	1,344	1,612
Fiscal -----	128	803	964	1,157	1,388

* Source: Joint Committee on Taxation.

S. 1591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOWANCE OF DEDUCTION.

(a) IN GENERAL.—Section 164 of the Internal Revenue Code of 1954 (relating to taxes) is amended—

(1) by inserting immediately after paragraph (4) of subsection (a) the following new paragraph:

"(5) Certain State and local utility taxes."

(2) by adding at the end of subsection (b) the following new paragraph:

"(6) CERTAIN STATE AND LOCAL UTILITY TAXES.—The term 'certain State and local utility taxes' includes only a separately-stated State or local tax imposed on or for the use of electrical energy, gas, or steam for heating and cooling the principal residence of an individual."

(b) DEDUCTION WITHOUT REGARD TO ITEMIZED DEDUCTIONS.—

(1) IN GENERAL.—Section 63 of such Code (relating to definition of taxable income) is amended—

(A) by striking out "and" at the end of subparagraph (A) of subsection (b) (1),

(B) by inserting after subparagraph (B) of subsection (b) (1) the following new subparagraph:

"(C) the deduction allowed by section 164 with respect to certain State and local utility taxes, and"

(C) by striking out "and" at the end of paragraph (1) of subsection (f),

(D) by striking out the period at the end of paragraph (2) of subsection (f), and inserting in lieu thereof a comma and the word "and", and

(E) by adding at the end of subsection (f) the following new paragraph:

"(3) the deduction allowed by section 164(a) (5) with respect to certain State and local utility taxes."

(2) Conforming amendment for withholding purposes.—Subsection (m) of section 3402 of such Code (relating to withholding allowances based on itemized deductions) is amended—

(A) by striking out subparagraph (A) of paragraph (1) and inserting in lieu thereof the following:

"(A) the sum of—

"(1) the estimated itemized deductions, and

"(11) the deduction allowed by section 164 (a) (5) with respect to certain State and local utility taxes, over", and

(B) by striking out "section 151" in paragraph (2) (A) and inserting in lieu thereof "section 151 and section 164(a) (5)".

SEC. 2. EFFECTIVE DATE.

The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1978, and with respect to State and local utility taxes paid or incurred after that date.

By Mr. DOLE (for himself, Mr. HEINZ, and Mr. LUGAR):

S. 1592. A bill entitled the "Financial Regulation Simplification Act of 1979"; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. DOLE. Mr. President, today I am introducing the Financial Regulation Simplification Act of 1979. This bill was originally introduced in the House by Congressman STANTON, the ranking minority member of the House Banking Committee, and has received broad support there.

Our bill is aimed at eliminating unnecessary costs and burdens imposed on the economy by Federal regulation.

Mr. President, this bill both complements and corrects an omission of President Carter's Executive order of March, 1977, "improving government regulation," by requiring the Financial Regulatory Agencies to initiate the same type of regulatory reform as all other executive agencies are now required to undertake.

The Financial Regulation Simplification Act requires that the Federal Financial Regulatory Agencies periodically review existing regulations in light of the bill's policy goals. Six specific policy criteria must be used as a standard in issuing any new regulations.

First, the need for and purpose of the regulation are to be established clearly.

Second, meaningful alternatives to the regulations must be considered before any regulation is issued.

Third, compliance costs, paperwork, and other burdens on the financial institutions, consumers, and public are to be minimized.

Fourth, conflicts, duplications, and inconsistencies between the regulations issued by the Federal financial regulatory agencies are to be avoided.

Fifth, participation and comment by other agencies, financial institutions, and consumers must be available. This does not mean, however, that formal, trial-type hearings on each and every proposed regulation are required.

Finally, when regulations are issued they shall be as simple and clearly written as possible and understandable by those who are subject to the rules.

Each agency is required to establish a program to insure the periodic review of existing regulations in order to achieve the objectives of the bill. So that agencies are held accountable to the Congress for implementing the provisions of this bill, each agency is to provide an annual report of its progress to the House and Senate Banking Committees. I would like to emphasize that we are not looking for

another major report from the financial regulatory agencies. The required progress report can be included in the regular annual report each agency submits to Congress.

COSTLY AND DUPLICATIVE REGULATIONS

Over the years, financial regulations have provided significant benefits to consumers. But, at the same time, Federal financial regulatory agencies have not achieved their regulatory objectives in an efficient and cost-effective manner. The result, all too often, has been the imposition of costly, duplicative and unnecessary burdens on both financial institutions and consumers. At least 83 Federal agencies now issue regulations which directly affect financial institutions, and 216 Federal Government agencies have issued regulations which indirectly affect them. There are 64,000 pages of regulations which constitute an excess of 4,000 regulations that are time consuming and often inconsistent.

There is a growing library of research which demonstrates how staggering are the costs of Government regulation of business. However, the most disturbing aspect of this trend is that much more is involved than just direct costs of regulatory activities. Regulations contribute to our Nation's severe inflation problem. Productivity growth, a necessary ingredient of a healthy economy, is eroded. Innovation is stifled because of the smothering effect of cumbersome regulations.

While no accurate data is available as to the total cost of Federal financial regulation, the costs are certainly substantial. It is clearly a responsibility of Congress in its oversight activities of financial regulatory agencies to carry the regulatory process only to the point where these added costs equal the added benefits of regulation. This legislation would help do that by requiring the agencies to consider the impacts of regulations on the financial community and consumers.

This bill has received broad, bipartisan support in the House, where the Banking Committee passed it unanimously last fall only to see it lost in the end-of-the-year crunch. It also has the backing of every major financial regulatory agency—the Federal Depository Insurance Corporation, the National Credit Union Administration, the Federal Reserve Bank and the Federal Home Loan Bank Board. This support indicates a growing awareness that this type of reform is much needed.

By approving this bill, we can confidently say that we have contributed to restoring our Nation's economic health. We can begin to ease the regulatory burden facing our financial institutions and streamline the regulatory process that now binds them in redtape at every turn. I urge my colleagues to adopt this legislation for the sake of both our financial institutions and the American consumer.●

By Mr. MORGAN (for himself and Mr. TSONGAS) (by request):

S. 1595. A bill to establish a Solar Energy Development Bank to help make available below-market interest rate loans for the purchase and installation

of solar energy equipment in commercial and residential buildings in the United States, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

SOLAR ENERGY DEVELOPMENT BANK

● Mr. MORGAN. Mr. President, I am today introducing with great pleasure and pride the President's promised Solar Energy Development Bank Act. I am proud to be joined in this effort, on behalf of the administration, by Senator TSONGAS, my colleague on the Senate Banking Committee which should be considering the bill shortly.

Earlier this year, Representative STEVE NEAL and I introduced identical bills in the House and Senate (H.R. 605 and S. 524) to set up a solar bank that would make long-term, low-interest loans to people who want to utilize solar energy in their homes or places of business. The President in June, in his solar energy message to the Congress, called for creation of a national solar bank similar in many respects to that proposed by Representative NEAL and me. While today's bill differs in some ways with the earlier proposals, I want to stress that we all now agree on the essentials. The bank would be authorized to provide interest subsidies for home improvement loans and mortgages to finance the purchase and installation of approved solar energy systems. The bank would pay upfront subsidies to banks and other lending institutions which would in turn permit them to make home improvement and mortgage loans for solar investments at interest rates below the prevailing market rates.

Moreover, the interest subsidy would be provided for only that part of the home improvement or mortgage loan which directly finances the solar investment. The availability of the subsidy would be conditioned on an appropriate warranty against defects. At least 60 percent of the bank's subsidy payments would have to go to residential loans.

The bank would be established within the Department of Housing and Urban Development, with corporate powers similar to the Government National Mortgage Association—"Ginnie Mae"—and the Secretaries of Housing, Treasury, and Energy would be ex officio members of the bank's board, along with board members chosen from the public.

The President estimated that in its first year of operation, the solar bank would be able to finance over 100,000 new and retrofitted solar units, if funding for the bank at the recommended level of \$100 million is provided by the Congress. The solar equipment contemplated is any equipment which uses either active or passive solar design and construction technologies; for example, solar hot water heating, solar heating and cooling, passive solar design, or some combination of these.

Utilizing solar energy in place of precious fossil fuels, particularly imported oil, is an objective, I believe, with which none of us disagrees. In the months and years ahead, we must find alternatives to oil and decrease our dependence on foreign governments for our energy supplies. Developing solar energy seems one

of the best substitutes if we can find a way to use it effectively. Its applications in the home benefit citizens directly.

We in the Senate Banking Committee this week have heard testimony from the Congressional Office of Technology, the Congressional Budget Office, and the Harvard Business School energy project that solar technologies are available now for ready application, and that what is necessary are the proper Government incentives. A solar bank which can disperse low-interest loan funds for energy-saving solar installations is one of these appropriate incentives. Moreover, tax credits for solar equipment—one of the existing incentives to move solar energy—have not been of much benefit to moderate- and low-income families. I believe the loan provisions of the Solar Bank Act will help overcome this problem and that the two incentives working together will be effective.

No one item, program, or single technology will resolve America's present energy problems. As the President announced in his oil import reduction program 2 weeks ago to the Congress and to the American people, we must look to many actions, programs, and technologies: better conservation, increased recovery from domestic oil and gas deposits, applications of new technologies in the synthetic fuels area, increased utilization of our abundant coal resources, and applications of alternative energy forms, such as wind, ocean thermal, geothermal, and solar. Our proposed solar bank will assist significantly and immediately in this endeavor. ●

ADDITIONAL COSPONSORS

S. 1075

At the request of Mr. KENNEDY, the Senator from Pennsylvania (Mr. SCHWEIKER) and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 1075, the Drug Regulation Reform Act of 1979.

S. 1328

At the request of Mr. HATFIELD, the Senator from Michigan (Mr. LEVIN) and the Senator from Washington (Mr. JACKSON) were added as cosponsors of S. 1328, a bill to amend the Water Pollution Control Act to provide an additional allotment of funds to certain States, and for other purposes.

S. 1411

At the request of Mr. CHILES, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 1411, a bill to improve the economy and efficiency of the Government and the private sector by improving Federal information management.

S. 1488

At the request of Mr. NELSON, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1488, the Individual Savings Act of 1979.

S. 1543

At the request of Mr. NELSON, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1543, a

bill relating to the tax treatment of qualified dividend reinvestment plans.

SENATE JOINT RESOLUTION 41

At the request of Mr. BURDICK, the Senator from Idaho (Mr. McCLURE) was added as a cosponsor of Senate Joint Resolution 41, to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE RESOLUTION 206

At the request of Mr. EXON, the Senator from Nebraska (Mr. ZORINSKY), the Senator from South Dakota (Mr. McGOVERN), the Senator from Texas (Mr. BENTSEN), the Senator from Arkansas (Mr. PRYOR), the Senator from South Dakota (Mr. PRESSLER), the Senator from Mississippi (Mr. COCHRAN), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Wyoming (Mr. WALLOP), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of Senate Resolution 206, relating to the set-aside program for wheat for the 1980 crop.

SENATE RESOLUTION 208—ORIGINAL RESOLUTION REPORTED RELATING TO THE PURCHASE OF CALENDARS

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 208

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, upon vouchers approved by the chairman of that committee, not to exceed \$52,000 for the purchase of one hundred and four thousand calendars. The calendars shall be distributed as prescribed by the committee.

SENATE RESOLUTION 209—ORIGINAL RESOLUTION REPORTED AUTHORIZING THE PRINTING OF "HISTORY OF THE COMMITTEE ON RULES AND ADMINISTRATION" AS A SENATE DOCUMENT

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 209

Resolved, That a compilation of materials entitled "History of the Committee on Rules and Administration", prepared by Floyd M. Riddick with the assistance of Louise M. McPherson, be printed, with illustrations, as a Senate document, and that there be printed one thousand seven hundred additional copies of such document for the use of that committee.

Sec. 2. The document specified in section 1 of this resolution shall be printed and bound with a paperback cover of the style, design, and color as the Committee on Rules and Administration shall direct.

SENATE RESOLUTION 210—ORIGINAL RESOLUTION REPORTED TO PERMIT A PHOTOGRAPH OF THE SENATE IN SESSION

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 210

Resolved, That paragraph 1 of rule IV of the Rules for the Regulation of the Senate Wing of the United States Capitol (prohibiting the taking of pictures in the Senate chamber) be temporarily suspended for the sole purpose of permitting the United States Capitol Historical Society to photograph the United States Senate in actual session.

Sec. 2. The Sergeant at Arms of the Senate is authorized and directed to make necessary arrangements therefor, which arrangements shall provide for a minimum of disruption to Senate proceedings.

SENATE RESOLUTION 211—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 211

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Johanna B. Salvetti, widow of Amelio Salvetti, an employee of the Architect of the Capitol assigned to duty in the Senate Restaurant at the time of his death, a sum equal to eleven months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 212—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 212

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 914. Such waiver is necessary because this legislation was not transmitted to the Congress until April 4. This did not allow sufficient time for the Committee to give full consideration to the bill before May 15. The Committee notified the Budget Committee of this fact and, as an interim measure, reported by May 15 a bill, S. 1150, containing the major authorizations but leaving other matters unresolved. S. 914, as amended, provides for a slightly higher authorization level but is still substantially below the amount provided in the First Congressional Budget Resolution.

The effect of defeating consideration of this authorization will be to impede the extension of the Public Works and Economic Development Act and to prevent the establishment of a major new development financing program under that Act.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, the Governmental Affairs Committee hearing regarding oversight of the Department of Energy Organization Act has been changed from 10 a.m. to 2 p.m. on Tuesday, July 31. There will be two witnesses: James Schlesinger, Secretary of Energy, and Charles Curtis, Chairman of the Federal Energy Regulatory Commission. The hearing will take place in

room 3302, Dirksen Senate Office Building. The DOE oversight hearing scheduled for Wednesday, August 1, has been canceled.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Small Business Committee will hold a hearing on August 2, beginning at 9:30 a.m. in the Russell Building, room 424, on small business and innovation. Witnesses will include the Small Business Administration's Chief Counsel for Advocacy, Milton Stewart, and innovation task force members.

Further information on the hearing is available from the committee office, 224-5175.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Science, Technology, and Space Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold a hearing on S. 1215, the patent policy bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, July 31, 1979, beginning at 2 p.m. to hold an oversight hearing on the Department of Energy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, August 1, 1979, to hold an executive session on the SALT II Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, August 2, 1979, to hold a hearing on SALT II.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

JOHN CONNALLY

● Mr. McGOVERN. Mr. President, sometimes in politics our personal passions take precedence over objective judgment. May I cite a case in point.

In 1972 when I was the Democratic Presidential nominee, Mr. John Connally headed an organization called Democrats for Nixon. This group sponsored a series of television ads depicting me in what I thought then and still think was a painful distortion of my views. I was angry at the whole operation. So,

when Mr. Connally announced his candidacy for the Republican Presidential nomination a few months ago, I "lowered the boom." I frankly overdid it. John Connally is not as bad a candidate as I made him out to be.

In any event, I have just finished reading an interview of Governor Connally by Alan Baron which appeared in the May-June 1979 issue of *Politics Today*. While I disagree with some of Mr. Connally's points, I find much of what he says to be good commonsense.

I request that Mr. Connally's interview with Mr. Baron be printed in the *Record*.

The interview follows:

JOHN CONNALLY

"If you were producing a movie and asked central casting to send over a president," observes Washington political consultant Mark Shields, "they would probably send John Connally."

Indeed, Connally does look "presidential." His healthy complexion, excellent build, silver-white hair and pin-striped suits are part of it. But Connally also walks, talks and acts like a leader. And the qualities we usually identify with strong leadership—self-confidence, determination, toughness—come through in every appearance he makes. No one ever accused Connally of being a lightweight.

During the last presidential campaign, Connally's image might have conveyed a bit of arrogance too. Back then, Americans were still recovering from Lyndon Johnson and Vietnam and Richard Nixon and Watergate. They were looking for other qualities—humility, decency, humanity and normalcy—in their candidates.

Thus, Gerald Ford made headlines when he buttered his own toast in the White House breakfast room. Jimmy Carter carried his own luggage and received high marks on the editorial pages of the *New York Times* for staying overnight in the spare bedrooms of supporters, and making his own bed the next morning. Carter, in fact, carried humility and decency further than anyone else. He promised never to tell a lie. And he told audiences that he was "no more qualified than many of you to be president."

Now, however, the polls report that people have concluded Carter was *indeed* telling the truth—that he is no more qualified than many of them for the presidency. But they no longer find that an advantage. Americans are reacting against the very qualities they said they were looking for in 1976. Now they're seeking the strength, determination, shrewdness and political savvy that frightened them in candidates the last time around.

They want a leader. And politicians who give off leadership "vibes" appear to be doing very well. In the Democratic party, Sen. Edward Kennedy is drawing far stronger responses than he did when he tested the waters, briefly, in 1974. Chappaquiddick seems less important now than then. In the Republican party, more and more pros are turning to Connally and downplaying his indictment over the "milk fund" scandal and his identification with the Nixon administration.

Americans are a bit schizophrenic on the integrity-in-government issue. They want leaders who are honest, but they also want leaders who are shrewd. Ask a resident of a small town whether he believes his banker or his minister is more honest, decent, humble, open and fair, and chances are he'll say his minister. But ask him who he wants running the government and odds are he'll say his banker.

It is the "banker" in John Connally to which his rise can be attributed. During Connally's various terms in public office—as Secretary of the navy under President

Kennedy, governor of Texas and secretary of the treasury under President Nixon—he made both friends and enemies; he was loved and hated; but never was he called naive, or indecisive, or wishy-washy.

By Republican standards, John Connally is a moderate. The CBS News poll taken in March at the Midwestern Republican Leadership Conference in Indianapolis showed him doing better among former Ford backers than among former Reaganites. But he didn't do badly with any ideological subgroup, a fact that brings to mind another Connally asset. Like Carter in 1976, Connally is not clearly identified with either of the ideological factions of his party. He is, in fact, drawing support from the broad middle of the Republican party—the same people who provided Richard Nixon's base.

Connally's positions on the issues bear out the "moderate" tag. He opposes big government on grounds of efficiency rather than ideology. On the social issues (ERA, abortion, marijuana, gays), his positions are similar to those of Jimmy Carter. On foreign policy, he talks very tough—but few Connally supporters believe his policies on such issues as the Panama Canal and SALT would be different than those of Jerry Ford.

Because of some of these positions, and because he was a Democrat until a few years ago, Connally is particularly disliked by rightwing purists in the GOP. They are expected to launch an anti-Connally campaign fairly soon (although one key conservative, direct mail czar Richard Viguerie, won't be part of it; he likes Connally).

The conservatives will, no doubt, concentrate on the ethics issue. Connally has a good answer—he tells audiences he is the only candidate who has been proven not guilty and he reminds them that his jury was mostly black. But questions are still being raised whose real impact may not be felt until next year's primaries.

Until then, Connally will be traveling throughout the country, meeting with GOP pros and potential 1980 delegates. Recently he did just that in Boston and New Hampshire. This interview was conducted in his car and his hotel suite by Alan Baron, who is Washington editor of *Politics Today*.

POLITICS TODAY: Let's start with foreign policy. Few people have been publicly critical of the president's role in the recent Middle East negotiations, but a lot of private doubts are being expressed. What do you think the president's role should be from here on in?

CONNALLY: I would like to see the president's withdrawal from the direct personal role that he is playing. Of course, withdrawal is not easy when one has been heavily involved. But I would like to see it happen because I think the ultimate solution is going to have to be one arrived at between the Arabs and the Israelis. In the meantime, we have to recognize that the Israelis occupy a strategic position in the Middle East today that is far more critical for our nation than even the strategic position they occupied in the past.

PT: What about our relations with the Arab states other than Egypt?

CONNALLY: I had hoped that this agreement could have been brought about in such a way that at least the Saudis would have supported it. I certainly don't want to try to second-guess what the president has done. I just think that Americans should not assume that the problems in the Middle East have been solved. We will have to continue to work on them.

PT: Do you agree with those who blame the shah's fall on the Carter administration's pressure on him to loosen up his control of the country?

CONNALLY: I think that certainly contributed to it. And I think President Carter's indecision in the final days was a clear signal that we were abandoning the shah.

I don't remember the precise words, but you'll recall that the president was saying that we strongly support the shah, then in a matter of a week was saying he doubted that the shah could survive. Well, this was interpreted as a clear signal to the shah's enemies. Perhaps that is what the president intended, although he gave the impression to most of us that he was trying to support the shah.

I doubt that, in the final days, there was anything the president or anyone else could have done, because the United States itself was almost as much a target as the shah, and the mobs were in the streets at that point. I think they probably were uncontrollable, although who knows? I am not privy to everything that went on. But we certainly played a role in it. I am not criticizing that interference, I am just saying that we can't wash our hands and say we had no part of it.

It seems to me that the decision should have been under consideration at least a year ago. Other countries of the world knew the shah was in trouble. The Israelis knew it six months or a year ago, I know. So did the French. And we should have known it. We should have been dealing with the shah then. We should have been telling him to hold his ground or leave the country or broaden his government or relinquish the throne or something, if we were indeed going to protect our own interests. We should have had some policy, which obviously we didn't.

PT: But our failure to foresee developments in Iran cannot be placed solely with Carter, can it?

CONNALLY: No, I suspect that part of it goes back to the time when we were instrumental in reestablishing the shah on the throne. I am sure some of it went back that far, so I don't intend to imply that all of it is President Carter's fault. Not at all. I think some of the underlying weaknesses of the shah's position certainly predate President Carter's inauguration.

PT: How do you feel about our policy in Africa?

CONNALLY: I think the policy with respect to South Africa, Southwest Africa and Rhodesia is all wrong. All three countries are trying to bring about democratic rule. We insist on a one-man, one-vote concept, yet when they had an election in Southwest Africa—in which 80 percent of the people voted—we claimed it didn't count, that it would have to be done under UN supervision. We want to bring in a Marxist terrorist from Angola and have him participate. In Rhodesia, Ian Smith, however belatedly, came to recognize that he had to change his structure of government and turn over control to the blacks in his country. So he got an interim settlement, but we say that's not good enough, that we're not going to support that interim settlement until they bring in a self-confessed Marxist terrorist operating out of Mozambique.

Now there's pressure for economic sanctions against South Africa, and I think it's counterproductive. I don't think it helps the black man of South Africa one bit and that's who we're trying to help. We are trying to bring about a change in the structure of that government. I think it's a legitimate objective of this nation to try to see that there is an expansion of human rights and human freedoms. But we ought not to confuse our commitment to principles with the application of policies against particular countries where it is counterproductive and harmful to that country and to ourselves as well.

PT: Let's switch to some domestic issues. Some people have suggested that American wheat should be used as a weapon in world trade, much as the Arabs use oil. Would you favor a "wheat cartel"?

CONNALLY: I don't like cartels. And I have

to say that I would not want to see us initiate nor create a wheat cartel. But I think we, in this country, are first going to have to learn the value of economic power. Second, we're going to have to learn how to use economic power. We still live with the myth that foreign policy is dictated solely by armies or by the mystique of diplomacy. The truth is that armies are maintained by sound economies. If you don't have a sound economy and a sound currency, you're not going to have any of the other things.

PT: Governor Brown and others are pushing for a constitutional convention. What's your view?

CONNALLY: I don't favor a constitutional convention unless it can be limited to one item relating to deficit spending.

PT: You were a friend and supporter of Lyndon Johnson's. What do you think—in retrospect—of the Great Society? Was the concept wrong, or the implementation?

CONNALLY: Unfortunately, I think President Johnson's motives were never quite translated into effective action. During the mid-sixties, when I was governor of Texas, I tried to tell him then that he was passing too many programs, instituting too many changes. We had to administer many of these programs, but we were not equipped to effectively and efficiently administer them. They came too fast. People couldn't assimilate them. We couldn't organize to cope with them. Expectations were built beyond the hope of realization. It resulted not only in frustrations, but inefficiencies, fraud, corruption and waste.

The assistant attorney general told a congressional committee, just a few days ago, that the Justice Department could turn in any direction and find fraud and corruption. He estimated that loss to the government might run as high as 10 percent of the total budget. That is an incredible figure—\$50 billion a year. Congress has to make up its mind that it must now reconstitute the administration of those programs, redefine the purposes of many of them, tighten the entire operation from the congressional act itself right through the entire administration of the programs to the ultimate beneficiary.

PT: Then is your basic objection to these programs pragmatic—or do you oppose them on a conceptual or ideological basis?

CONNALLY: I think that there is a role for government to play and that the human needs of some people in this country have to be met. I think there are certain people in this society who can't provide for themselves, and I think we've progressed as a people and a society to the point where none of us want to see them heartlessly dealt with.

I do think there are limits, so my argument is not with the stated purpose of many of these programs. My argument is that they have gone to excess, they're too expensive, the administration is too loose, there's too much fraud, waste and inefficiency in the whole system and it has to be curtailed because it puts a tax burden on too many people who don't deserve it.

We ought to approach our problems basically from the standpoint that we're going to try to provide an economic system in this country that's expansive enough to give everybody who's able-bodied and wants to work an opportunity to find a productive job. That ought to be our principal goal. That perhaps, once we've done that, we ought to have criteria that do not reward the indolent, the lazy, the shiftless or the chiseler. But on the other hand, we ought to devise criteria that make available governmental programs to the truly needy of this country.

PT: Some conservative Republicans say you're not really one of them. How would you categorize yourself politically?

CONNALLY: Well, you know, I've always tried to refrain from categorizing myself. I don't like people who try to put you in little pigeonholes. What is a conservative? What is a liberal? What is a moderate? What is a libertarian? Everyone has their own definition of those terms. I've always tried to avoid that. I simply say, "Ask me whatever you like, whatever issue concerns you. I'll give you my views. You then make up your own mind what I am." Because on some things, on financial matters, no question but what I'm conservative. On many of the so-called libertarian civil rights issue, I think I'm a liberal in the Jeffersonian sense. I'm not a collectivist. This is where I fall out with those who today call themselves liberals. I don't think they're liberals; I think they're collectivists. Here again, I'm using one of those expressions, but I believe in individual human rights, personal freedoms and personal opportunities. Individual opportunities.

PT: Let me ask you about some specific civil rights and civil liberties issues. To start with, the voting rights act, which allows the federal government to supervise election rules in areas where a low proportion of the population votes—was it needed?

CONNALLY: I don't really know. I think in a way it was an attempt on the part of a lot of politicians to point the finger at certain parts of the country and I certainly don't think we needed to apply it to Texas. Blacks were voting there and had been for a long, long time. The very idea that we were put under it I thought was ridiculous. I don't think it hurt us any, but I just thought it was an insult to the state that need not have been.

PT: But outside of Texas . . . what about in Georgia, where only about 5 percent of the blacks voted before the federal law?

CONNALLY: If indeed there was some state restriction, either expressed or implied, that either prevented them from voting or made it uncomfortable for them to vote, then I think it might well have been justified. I think we have long since passed the point where we can justify any restraints on the right of people to vote in this society.

PT: The Supreme Court's Bakke decision outlawed quotas in university admissions policies, but it allowed race to be taken into consideration on an individual basis. How did you feel about that decision?

CONNALLY: I think I agree with the Bakke decision, although I think that some of the criticism from both sides is probably justified—which tells me that the Bakke decision was probably a wise one. I'm not sure it's wise to determine entrance requirements solely on the basis of students' ratings on particular tests. When we look at young lawyers coming into our law firm, our tendency is to take the easy route, to look at grades. But grades don't always tell the story and many of the best lawyers in our firm made mediocre grades in law school. People develop differently and at different stages of their lives. So I think there's some justification for giving the university latitude in applying standards other than grades alone. The part of the Bakke decision that particularly appeals to me is the outlawing of quotas. I'm against quotas and I don't think we ought to establish quotas in any sense, in any form, in any situation that I know of.

PT: As governor of Texas, did you take affirmative action—did you make special efforts to reach out to minorities?

CONNALLY: I did. I appointed the first black ever to serve on the Board of Corrections, which governed our prison system. I found a very qualified black and when I first announced the appointment, the feeling in the State Senate (which had to confirm him) was overwhelmingly negative. We worked, we worked and we worked—and I've forgotten the precise vote—but I think there were only three votes against him. I named the first Mexican-American secretary of state,

which was my top appointment. I made a number of other appointments, particularly from the black community, and I named four women to the boards of regents at universities.

PT: Let me ask you about some of the so-called social issues, such as marijuana . . .

CONNALLY: I don't know enough about marijuana. If I thought somebody were pushing it, somebody were importing it, yes, I'd throw them in jail. If I thought it was an innocent kid smoking it for the first time, or smoking it for a kick, or to see what effect it would have on him, no, I wouldn't. But I don't want to leave the thought that I'd be permissive. I'm a square when it comes to things like that.

PT: How about the issue of gay rights? California rejected a proposal to ban gay teachers from the schools. Those in opposition to the proposal included both Ronald Reagan and President Carter. How do you feel?

CONNALLY: There's would be my position too, although again, I'm not comfortable with the idea that things such as homosexuality should be treated permissively. It's not normal, natural human behavior. But I know that there are a number of homosexuals in society and I certainly don't think that they ought to be denied the right to make a living. I think it is a question of individual behavior. If they don't bring it into their classrooms, if it doesn't influence their teaching, and particularly if it doesn't result in any kind of an impact on the students, then I certainly don't think that they ought to be prevented from teaching. But if indeed it does have some impact on children, particularly young children, then I would look at it differently.

PT: Abortion?

CONNALLY: I am against any federal funding of abortions. I'm also against any constitutional amendment relating to the subject in one way or the other.

PT: The ERA?

CONNALLY: I'm for it.

PT: You're known to have some strong feelings about reforming governmental processes. How do you feel about the investigation into Carter's peanut operations? Do you think a special prosecutor is needed?

CONNALLY: My basic feeling is that Griffin Bell and the people in the Justice Department are competent, that they are able, that they're honest and that they have a duty to investigate such things. I think they have the capacity to do it, I think they have the courage to do it, and I think they have the dedication to do it. I'm not opposed to a special prosecutor, but I'm not advocating one.

PT: You've made some suggestions about limiting the terms of elected officials . . .

CONNALLY: I think, frankly, that we've reached the point where the country would be better served by a president serving one six-year term, who didn't have to run for reelection. At the same time, though, I don't think we ought to restrict just the president, who's already restricted to two four-year terms. I think we ought to restrict senators to one six-year term or one eight-year term and representatives to four two-year terms.

I think this would change the whole process of government. It would have an enormous impact on the number of bills that are considered, the manner in which statutes are written, the manner in which regulations are permitted. I think it would have an impact on the size of congressional staffs.

If a senator never had to be reelected and had an eight-year term, I think that he would then be willing to address himself to the fundamental problems of this country such as energy, an intelligent farm program, programs that encourage savings and reinvestment, programs that stimulate research and

development that will have an impact five, ten, fifteen years from now. Under the present system, officials constantly look at a problem in terms of how it's going to impact their own political future. I think it's time we quit looking at the political future of individuals and started looking at the national interest of the country.

PT: Wouldn't that cut into the power of unions and other interest groups?

CONNALLY: I don't think it necessarily would, no. They would all have an opportunity to elect the senators. They'd probably study them a little closer than they do now.

PT: One final question. You've talked quite a bit about reforming the system. If you're the nominee, would you change the current system, if that's what it can be called, for selecting vice-presidential nominees?

CONNALLY: Yes. At least 30 days before the date of the convening of the convention, I would submit three names, any of which would be perfectly agreeable with me, and then let the delegates and the press have 30 days to look at them, to write about them, to question them, to probe their backgrounds. That's a minimum. I haven't fully decided, but I might go even further.

I think the matter of the selection of a vice-president has been both haphazard and unfortunate—haphazard in nearly all cases and unfortunate in some recent instances. I think it is a job that should have more deliberate consideration by the convention and I would certainly do at least that much.

As to who I'd choose, I would want someone that I think would make an excellent president. And I wouldn't be the least concerned about him being smarter or more able than I was, or more politically acceptable. I think this idea of a president being afraid of his vice-president is ridiculous. I would choose the ablest man I could get my hands on. ●

THE SENATE REPUBLICAN LEADER

● Mr. LUGAR. Mr. President, the July 30, 1979, issue of U.S. News & World Report contains an excellent article which gives well-deserved recognition to our distinguished Republican leader, HOWARD BAKER. The article, written by John W. Mashek, reviews events and accomplishments in HOWARD BAKER's life, as well as some of the positions he has taken as a U.S. Senator. I know that there will be great interest in this article, and I ask that it be printed in the RECORD.

The article follows:

HOWARD BAKER TAKES AIM AT CARTER'S SOUTHERN TURF

Howard H. Baker, Jr., is all for keeping a Southern accent in the White House—his own, not Jimmy Carter's.

The boyish-looking Tennessean is promoting himself as the Republicans' best hope in 1980 of wiping out the President's vital power base in Dixie, an edge that enabled Carter to nearly sweep the South and Border states en route to a narrow victory over Gerald Ford in 1976.

Baker's team today concedes only Georgia, Carter's home state, in a match-up between the two below the Mason-Dixon Line. "We'd give Carter fits in the South, and the White House knows it," an aide asserts.

In the expanding field of nine Republican candidates, Baker lacks the strong name identification of frontrunner Ronald Reagan, the aggressive flamboyance of John Connally or the experienced campaign staff of George Bush.

Yet many analysts are predicting that when the race for the presidential nomination goes down the stretch, Baker will be one of the contenders.

Cited as the Senator's prime assets: A centrist political approach that is acceptable to a broad range of Republicans, a campaign style described by admirers as one of "quiet and reassuring competence" and an enviable public pulpit as minority leader for 41 GOP members of the Senate.

SALT OPPONENT

In that leadership capacity, Baker already has announced his opposition to the strategic-arms-limitation treaty with the Soviet Union. The 53-year-old lawmaker denies that his decision is tied to his presidential campaign or is an attempt to placate GOP voters still angry over his vote last year to approve the Panama Canal treaties.

While Baker does not plan to enter the presidential race officially until autumn, he makes clear on the campaign trail that his announcement is only a formality. As he told an audience in New Hampshire recently: "I am a candidate for the Republican nomination, and I plan to win. I think I have the best chance of being elected."

Baker's political career has come a long way since he was elected to the Senate in 1966. Although that victory marked the first popular election of a Republican senator from Tennessee, he was known primarily in those days as "Ev Dirksen's son-in-law."

In 1951, Baker married Joy Dirksen, daughter of Senator Everett McKinley Dirksen of Illinois. Dirksen, who died in 1969, served as Senate Republican leader for 10 years and was acclaimed by friends and foes as one of the most gifted orators in congressional history.

It wasn't until 1973 that Baker became a national figure in his own right—then under distasteful circumstances as ranking Republican on the select Senate committee investigating the Watergate scandal and its cover-up in the Nixon White House.

"WHAT . . . WHEN?"

Millions watching the televised hearings saw Baker prod patiently and persistently into the tangled case, finally—in the most remembered question of the investigation—demanding of John Dean, Nixon's chief accuser: "What did the President know, and when did he know it?"

Zealous Nixon supporters accused Baker of hounding the President, while Nixon foes complained that he leaned in favor of the White House in the committee's closed sessions. The senator insisted that he viewed his Watergate role as a "down the middle" interrogator, playing no favorites.

Throughout the investigation, one of Baker's associates recalls, "It was painful for him to see friends come up to testify and unravel the story."

In speeches today to Republicans, Baker recalls the "humiliation and embarrassment" he felt for his party during the Watergate period. But he quickly adds that, with a conservative trend, the GOP not only survived, but "today the country is singing our song," and Republicans have an opportunity in 1980 to win the White House and control of the Senate.

Baker is no stranger to the rigors of public life. His family is rich in political tradition in the mountains of East Tennessee, and he often refers to himself as a "congressional brat."

Baker's father was elected seven times as U.S. representative from Tennessee's second district. When the lawmaker died in office in 1964, Baker's stepmother, Irene Bailey Baker, won a special election and completed the term. Both of Baker's grandfathers held public office; one as a judge, the other a sheriff.

ORATOR AT 11

It wasn't surprising when Howard H., Jr., born in Huntsville, Tenn., on Nov. 15, 1925, won a public-speaking contest at age 11. In

such a politically oriented family, he recalls, it was necessary to speak up.

Baker attended public schools in Huntsville but finished high school in 1943 at a military academy in Chattanooga. He volunteered at 17 for the Navy's V-12 program during World War II to study electrical engineering. He went on to serve aboard a PT boat in the South Pacific and was discharged as a lieutenant (junior grade) in 1946.

When he returned from service and entered the University of Tennessee, Baker says, he intended to get an engineering degree. "The engineering line was too long on registration day," he reports. "The line for law school wasn't, so I ended up there. I'm ashamed to admit it, but it's true."

Baker got his LL.B. degree in 1949, having served as president of the student body in his final year.

Joining a Huntsville law firm started by his grandfather in 1885, Baker gained such a courtroom reputation as an able speaker and tough cross-examiner that several times the state hired him as a special prosecutor.

In one case, Baker represented four major coal companies against the United Mine Workers and won a 1-million-dollar settlement. He also found time to engage in banking and land-development businesses.

Under a federal ethics law, Baker recently filed a financial statement that reported assets of at least \$625,000. His income from January 1, 1978, to April 30, 1979, was \$313,000, in addition to his senator's salary of \$57,500 annually.

Baker's first run for public office was unsuccessful. He passed up near-certain election to his father's House seat to run for the Senate in 1964. In a special election for the late Senator Estes Kefauver's seat, Baker lost by 50,000 votes to Democrat Ross Bass but piled up a record vote total for a Republican candidate in Tennessee.

Two years later, Baker came back to win a Senate seat by defeating former Democratic Governor Frank Clement by 100,000 votes.

Baker went on to two comfortable reelection victories, beating Democrat Ray Blanton in 1972 by some 275,000 votes and turning back a challenge by wealthy Democrat Jane Eskind last fall by more than 175,000 ballots.

In the Senate, Baker has focused more on the Republican leadership and organization than issues, although he took a top role in winning approval of legislation for revenue sharing.

Baker attempted to succeed father-in-law Dirksen as minority leader in 1969 and ran again in 1971, losing narrowly both times to Senator Hugh Scott of Pennsylvania. Baker won the post by one vote in 1977 by defeating Senator Robert Griffin of Michigan after Scott retired. He was re-elected earlier this year without opposition.

As GOP leader, Baker has cultivated friendships in all wings of his party. Three close Senate associates are liberal Charles Mathias of Maryland, moderate Bob Packwood of Oregon and conservative John Tower of Texas.

An admiring colleague says that Baker "does not lead by forcing people together and leading a charge, but leads more by nudging people from the side." A conservative senator, however, criticizes him for being too cautious and not partisan enough at times.

Baker's voting record over the years matches his philosophical image. The conservative Americans for Constitutional Action has given him a 67 percent rating while the liberal Americans for Democratic Action has scored him with 13 percent.

BLACK SUPPORT 30 PERCENT

Baker calls himself a moderate. He has opposed busing for integration of schools but has favored open housing and voted for

the constitutional amendment giving congressional representation to residents of the District of Columbia. In Tennessee, Baker was able to capture some 30 percent of the black vote in his last Senate race.

Baker's support last year of the Panama Canal treaties remains a sore point among some conservative activists, who view it as a disloyal act to the Republican Party. Questioned about it now, Baker responds: "I think it was the right vote, not a Republican or Democratic vote. I was not pulling Jimmy Carter's chestnuts out of the fire."

On the stump, Baker is an articulate, but low-key, performer. He ad-libs most speeches, at times with his hands stuffed in his pockets. He rarely raises his voice—to the despair of some backers who think that he should be more animated.

PARTY UNITY STRESSED

Baker likes to tell jokes and is not reluctant to make himself the target. A theme that he keeps bringing up on the road is the necessity for party unity, reminding fellow Republicans of their disputes of the past: "The only way we can snatch defeat from the jaws of victory in 1980 is through intraparty savagery."

A favorite Baker sally on the issue of inflation: "It's the biggest unpunished crime in the country today."

At 5 feet 7 inches tall, Baker can get lost in a crowd. But he handshakes his way comfortably through a mob of voters, makes small talk with ease and has a good memory for names.

Baker is aware of another problem that he may have to confront in the campaign—gossip about his wife who is a reformed alcoholic and has publicly acknowledged her battle with the bottle. Friends report that she hasn't had a drink in more than three years.

Intimates say that Mrs. Baker blamed her drinking problem for her husband's being passed over for the GOP vice-presidential nomination at the Kansas City convention in 1976. Baker was widely known to be one of the finalists, but President Ford finally chose Senator Bob Dole of Kansas for what insiders say was Dole's strength in the farm belt.

"It was the low point of his political career," recalls a Baker aide.

Although a dedicated and ambitious politician, Baker doesn't spend all his time on public platforms or in smoke-filled rooms. He is an avid photography buff who maintains darkrooms in his Washington and Huntsville homes and has exhibited his photographs, with older people and historical landmarks as specialties. He likes to turn the tables on the press and snap pictures of startled reporters when they approach him.

Baker makes frequent trips to his Huntsville home to stay in contact with Tennessee voters.

The Bakers have a married son, Darek, 26, working in a bank in Murfreesboro, Tenn., and a daughter, Cynthia, 23, who is an assistant television producer in Nashville.

Fighting a tendency to grow pudgy, Baker turns to tennis for exercise. He is a non-smoker but will drink an occasional gin and tonic.

Associates report that the senator prefers to deal with staff members in person rather than by memorandum. He has a temper, aides say, but it usually is confined to quick bursts of anger when confronted by what he regards as sloppy work.

Most recent public-opinion polls rank Baker second or third among Republican presidential candidates—not bad, his strategists say, for a man who still has not officially announced.

While Baker's name is hardly a household word across the country, his supporters were cheered by a recent ABC News-Harris survey that showed the Tennessean edging Carter

46 percent to 45 percent in a head-to-head test.

That's just a sample, say the senator's backers, of why Republicans should select their kind of Southerner—Howard Baker—to lead them back into the White House in 1980. ●

ILLINOIS BRICK DECISION

● Mr. HART. Mr. President, S. 300, legislation designed to reverse the Supreme Court's decision in Illinois Brick Co. against Illinois, is once again on the Senate Calendar. I am a cosponsor of this bill and urge my colleagues to give it careful consideration.

In Illinois Brick, the Supreme Court held that indirect parties, such as State governments, do not have the right to sue and seek damages for violations of Federal antitrust laws. This decision has had serious consequences for State governments across the Nation. Its effect has been to put an end to a long and responsible history of State antitrust enforcement activity.

S. 300 is supported by all 50 State attorneys general. In a recent letter, J. D. MacFarlane, the attorney general of my own State of Colorado, summarized the ways in which the Illinois Brick decision affects the State of Colorado and its citizens. His letter vividly demonstrates what is at stake for every State in the Nation and every American taxpayer. This letter makes a compelling case for the passage of legislation to overturn Illinois Brick. I urge my colleagues, in the course of the debate on this issue, to consult with the attorney general of their own State to see just what their State has to lose if the Illinois Brick decision is not reversed. I request that Attorney General MacFarlane's letter be printed in the Record.

The letter follows:

THE STATE OF COLORADO,
DEPARTMENT OF LAW,
Denver, Colo., July 12, 1979.

Re S. 300 Illinois Brick Legislation.

HON. GARY HART,
Washington, D.C.

DEAR SENATOR HART: I am writing to encourage your continued support for S. 300, the bill which you are co-sponsoring for the purpose of overturning the Supreme Court's 1977 decision in the Illinois Brick case. As you know, the Illinois Brick case, which took away from indirect purchasers the right to recover damages under the antitrust laws, has seriously impeded antitrust efforts at the state level. I want you to know exactly how serious that impact has been in the State of Colorado.

The State of Colorado has benefited significantly from its antitrust program. For example, in the Tetracycline litigation, in which the state and consumers within the state who purchased price-fixed drugs were all indirect purchasers, the state and consumers recovered \$754,274.00. The unclaimed portion of the Colorado fund has been used for a number of years as a trust fund for drug rehabilitation within the state.

In the recent Master Key antitrust litigation the State of Colorado participated in a distribution of over \$15 million to states and local governmental entities throughout the nation who had purchased, indirectly, master key systems and finish hardware for use in public buildings. Colorado was allocated \$188,167.06, which was distributed to all public entities within the state. The distribution amounts ranged from a low of a

few dollars to certain small towns up to significant amounts for school districts within the state (e.g., Jefferson County School District received \$15,923.57, Denver schools received \$13,707.69). Not one cent of these recoveries would have been possible had the Illinois Brick ruling applied to the Master Key case.

Fortunately, the case was settled during the trial in late 1976 before the Supreme Court decided Illinois Brick. Attached to this letter is a list of institutions of higher education and school districts in a great number of states which received significant amounts of money in the Master Key settlement. Each school district and institution of higher education listed in the enclosure would have been unable to recover a single dollar of its taxpayers' money if the same case were filed today.

The Illinois Brick rule significantly impacts on pending cases also. Faced with dismissal of all indirect claims in the Western Sugar Antitrust Litigation, Multidistrict Litigation No. 201, the State of Colorado together with nine other states recently entered into a settlement agreement with the defendant sugar companies. The amount of the settlement was significantly lower than we had anticipated would be the recovery at the outset of the case in 1975. However, the vast majority of states had no direct purchases at all, and Colorado had an extremely limited number of such purchases. Therefore rather than face virtually certain dismissal of the indirect claims by the judge in the case, we agreed to settle with the defendants at what we considered a significant discount on our anticipated return in that litigation.

We face similar problems in our Cement litigation and Fine Paper litigation. Thus far we have been able to stay alive, for example, in the Cement litigation because of a number of cost-plus contracts which are a significant exception to Illinois Brick. However, it is too early in either of those cases to determine whether or not we will be able to press our claims since a great number of our purchases are, at least in traditional terms, indirect purchases.

The Illinois Brick rule also significantly impacts upon the decisions our office makes regarding cases in which we will become involved. For example, the United States Department of Justice has in the past several months filed a criminal antitrust action against major manufacturers of gas meters, and another against manufacturers of water heaters. It goes without saying that the end users of each of these products—the persons who absorb the overcharge without having the ability to pass it on—are consumers. Yet there has not been one consumer action filed under the Sherman Act against these manufacturers because consumers always purchase these items indirectly, through retailers or other middlemen.

Let me summarize, then the ways in which the Illinois Brick rule significantly impacts the State of Colorado and its citizens:

(1) Colorado citizens and governmental entities who absorb overcharges from antitrust violations cannot recover those overcharges.

(2) Substantial recoveries from earlier cases which have been returned to consumers and local governmental entities can no longer be recovered in future cases.

(3) Antitrust enforcement at the state level, particularly against large manufacturers who sell into the state, is significantly weakened.

(4) Collusive activities which prior to Illinois Brick could have been stopped or would have been discouraged by the threat of treble damage actions by indirect purchasers may now flourish.

(5) An important inflation-fighting tool has been removed from those most likely to use it.

(6) Pending cases have been seriously affected and in some instances compromised

at far less than they might have been without the advent of Illinois Brick.

It goes without saying, of course, that every state with an active antitrust program is suffering the same disabilities as a result of Illinois Brick.

It is important to emphasize that reversal of Illinois Brick will simply return the law to what it was prior to June, 1977. It is not true that S. 300 creates a novel and horrendous anti-business procedure. There is nothing new about injured parties recovering damages from price-fixers—no matter where the injured party appears on the chain of distribution. Innumerable cases during the sixty-five years of the Clayton Act demonstrate that far from being a novel procedure indirect purchaser suits have a time-worn heritage.

I appreciate your strong support for this important legislation.

Very truly yours,

J. D. MACFARLANE,
Attorney General,
State of Colorado. ●

TIME BOMB

● Mr. HUMPHREY. Mr. President, we are all concerned and saddened by the tragedy of hundreds of Utah citizens who were exposed to heavy doses of radiation fallout during tests of atomic bombs by the Government of the United States in the 1950's. During the recent congressional hearings before the Subcommittee on Health of the Senate Judiciary Committee, many of these great Americans testified to what had befallen them and reiterated their continued belief in the good of our Government and country.

Senator ORRIN HATCH, my gracious colleague who works so long and hard to represent the good people of Utah, recently wrote an article that appeared in the Washington Post which dealt with the character of these people who have suffered so much. I was moved by the words spoken by the fallout victims, by their sincerity and patriotism, and I was moved as well by the empathy and caring so well expressed by my colleague as he pondered the sacrifices and resolution of his fellow Utahans. I commend this article to all of my colleagues.

The article follows:

TIME BOMB

The radiation issue drags on.

Last week, those of us on the health subcommittee of Sen. Edward Kennedy's Judiciary Committee held further hearings on the problem. Everyone is doing their best. Yet we have not yet satisfactorily resolved what I personally find the most distressing political question of my career.

I usually get up early. But at 5 a.m. on April 20, even my metabolism was unsure about the new day. It wasn't helped by technical difficulties with the feed to ABC's "Good Morning America" show in New York, which had us waiting on camera for 25 minutes in KTVX's Salt Lake City studio, grimly contemplating the subject of the upcoming interview—the increasing evidence that fallout from atomic weapons tests in Nevada in the 1950s has been responsible for abnormal rates of cancers and leukemia in southern Utah.

On the show with me was Elmer Pickett, a farmer from the small town of St. George, Utah. St. George has been hard hit. I had held a town meeting there three days earlier, and knew Pickett had lost nine members of his family to these diseases.

Yet when the program began and host Tom

Schell finally turned to him, Pickett leaned forward and with great natural dignity emphasized that he still believed there was a need for the nuclear tests. Obviously, things had gone wrong. But he wanted it understood that he was not bitter against America, the greatest country in the world.

It is one thing to read, in the clinical language of the Atomic Energy Commission's Fallout Branch, that "if, for certain purposes, the RBE [Relative Biological Effectiveness] of alpha rays is taken to be 10, this implies that, for these processes, an alpha ray dose of one-tenth Rad will produce the same degree of biological effect as an X-ray dose of one Rad . . . Dose in 'Rem' = Dose in Rad x RBE. . . ."

It is another to see consecutive sections of your audience break down in tears as the terminal sufferings of their loved ones, who were in some cases exposed in one day to 12 times the millirems now considered permissible for a whole year, are recalled from the witness stand.

The issue is particularly agonizing for conservatives like myself. (In 1978, the quarterly magazine "Politics" ran a survey and awarded me the ambiguous accolade of being one of the five most conservative senators). For years, we have advocated a strong national defense. We have instinctively tended to favor the tough-minded practical and economic case for nuclear power over the frequently emotional counterarguments. Now, the contentions of those we dismissed have apparently returned to haunt us, in peculiarly horrible form.

Even worse, we can see no easy escape from the nightmare. Our need for energy cannot be solved without nuclear power. The defense fears of the early 1950s, when weapons testing began, were very real. Contemporary scientific opinion was sincerely mistaken about the risk—and some risk is unavoidable, as it is in most human activity. The sort of bureaucratic coverup that seems to have continued under every administration since then, while appalling, cannot ultimately be eradicated without a change in the nature of men—or, at any rate, of civil servants.

I have proposed blanket compensation for victims of cancer in the affected area. This is admittedly a profligate, Great Society-type approach. It has been criticized, fairly, by those who point out that it is impossible to distinguish between radiation-caused cancers and ones that would have occurred anyway. I find myself on the left of permanent officials at HEW, a rare moment that is disorienting to all of us.

Even my press aide, the 1972 McGovern delegate of whom we are very proud—we keep him in a special glass display case, and he worries about the environment—has reservations. These, incidentally, are shared surprisingly widely in Utah itself.

Yet how else can we treat a community of Elmer Picketts? For, despite all the publicity, southern Utahans have remained calm. They are not even making any concerted demand for help with their medical bills, asking only that a medical center specializing in cancer be established nearby. In an era when patriotism has been unfashionable, they still remember their country. In a society where importunity is institutionalized and rewarded, they have remained patient. Other nations need whips and scorpions to inspire this sort of social discipline.

Forget about the ideology and the agitated politicians. The forbearance of ordinary Americans in the face of all their government's vacillations and mistakes is on any reckoning an awe-inspiring phenomenon that truly distinguishes this country.

At the climax of "The Bridges at Toko-Ri," James Michener's powerful novel of the Korean War, when the Navy pilot is shot down and killed, in a war he questions, of

which his countrymen are barely aware, his admiral asks rhetorically, "Why is America lucky enough to have such men? They leave this tiny ship and fly against the enemy. Then they must seek the ship, lost somewhere on the sea. And when they find it, they have to land upon its pitching deck. Where did we get such men?"

In the stoicism with which these men and women of southern Utah are facing the most profound personal tragedies, we see again the same ultimate political mystery. ●

SOVIET SALT POLITICS

● Mr. KENNEDY. Mr. President, the current debate over the SALT II Treaty has thus far paid too little attention to Soviet SALT politics. Some seem to feel that the only relevant political process on SALT takes place here in the United States.

In a recent op-ed article in the Washington Post, former CIA Director William Colby effectively counters this self-centered view. Mr. Colby points to Soviet concessions during the SALT II negotiations and states that the new SALT Treaty "is the culmination of a series of mutual compromises and concessions, to which the Soviets contributed in substantial measure." He warns, I believe correctly, that a failure to ratify SALT II could seriously affect a future leadership transition in the Soviet Union.

Failure of U.S. ratification thus could open a political interstice in which strategic weapons would be without agreed controls during a Soviet succession struggle. Wholly new policies and positions could be advocated by contenders for power and for support within the Soviet leadership. An agreement fully ratified before the passing of Brezhnev could, of course, be subject to actual if not legal repudiation by his successor, but that would be a much more difficult and dangerous defiance of American power than drastic proposals for Soviet "amendments" of a text still not formally adopted by the two governments.

Mr. President, I request that this thoughtful and important article be printed in the RECORD.

The article follows:

SOVIET SALT POLITICS

(By William E. Colby)

Weapons systems, military forces and intelligence machinery are the stuff of SALT II. Debate rages over each of these to the bewilderment of the public and the delight of the experts. But there is another dimension to the debate, which is as important as any single detail. The political background of the treaty, within the Soviet Union and in the international arena, must be factored into the eventual decision on ratification, amendment or rejection. Only by including this dimension can its individual details be given their proper weight.

The Soviet Union's political process is certainly different from the American. But different interests and points of view do exist in the Soviet system, and there are procedures for resolution of those differences within the bureaucracy, the party apparatus and the leadership councils. From the record of negotiations of SALT II, it is clear that a number of balancing trade-offs took place in the Soviet negotiating position and in Soviet acceptance of the final version. Hard-headed Soviet insistence on retaining the heavy missile was balanced by Soviet acceptance of equal aggregate force totals, despite earlier arguments that our Europe-

based and allied nuclear forces that can strike the U.S.S.R. should be included in the American count. American insistence on counting rules was accepted despite their penalizing some single-warhead Soviet missiles and launchers by counting them as multiples because their prototype was so tested.

Some Soviet concessions were more apparent than real, such as the agreement to abandon the mobile SS16, which was apparently a dud. But others will require substantial changes in established Soviet practices, such as the destruction of 250 existing Soviet launchers, the limit to one new missile instead of the usual four per generation, the exchange of data on forces and test notifications despite longstanding Soviet paranoia about secrecy, and the restriction of the heavy missile to 10 warheads rather than allowing it to be improved to carry its full capability of 30 or more. The final text also represents Soviet acceptance of future improvements in America's forces through the MX missile and cruise missiles, the latter compromise balancing American agreement that the Soviet Backfire not be counted, with limitations imposed on each side's weapon.

These Soviet concessions reflect a Soviet political decision that the benefits of SALT II to the U.S.S.R. outweigh them. The primary benefit was the cap it put on the American arms race and the danger that the American sleeping giant might arise and outdistance the Soviets in this technology in the same dramatic way it did in the 1960s space race. Recognition as an essentially equal superpower also represents a long-sought Soviet goal, and SALT II's numerical and qualitative provisions make this plain.

But a sense of the bargaining that occurred among Soviet decision-makers can be seen from the Soviet reaction to President Carter's March 1977 suggestion to "amend" the agreement reached in 1974 at Vladivostok to reduce the Soviet heavy-missile force from 300 to 150 launchers. The reaction was sharp and harsh, showing that the 1974 trade-offs were viewed as firm rocks in the negotiated balance, not subject to later rearrangement. Americans blithely contemplating similar amendments now should recall the criticism of the naïveté and brashness of the American diplomacy in that instance.

The final text of SALT II reflects these compromises made within the Soviet government, just as it reflects the compromises made within the U.S. government. The treaty before the Senate thus does not satisfy every Soviet interest, as it does not satisfy every American. But it is the culmination of a series of mutual compromises and concessions, to which the Soviet contributed in substantial measure. The Soviet political consensus this reflects is a fact that must be weighed as the Senate now judges the treaty.

Ratification, of course, is different subject in the two countries, but the review required for Senate ratification could find an analogy on the Soviet side if the treaty is not ratified and an obviously ailing President Brezhnev dies. The succession crisis then would seize the Soviet leadership. Previous successions suggest that this would produce an interim period of confusion and maneuvering, followed by the rise a few years later of a new leader and the possible adoption of new policies.

Failure of U.S. ratification thus could open a political interstice in which strategic weapons would be without agreed controls during a Soviet succession struggle. Wholly new policies and positions could be advocated by contenders for power and for support within the Soviet leadership. An agreement fully ratified before the passing of Brezhnev could, of course, be subject to actual if not legal repudiation by his successor, but that would be a much more difficult and danger-

ous defiance of American power than drastic proposals for Soviet "amendments" of a text still not formally adopted by the two governments.

American allies, the Soviet Union and its allies and the uncommitted nations closely observe the firmness and competence of the American management of the strategic arms relationship between the United States and the U.S.S.R. Brinkmanship and provocation would draw criticism, but indecision and weakness would create doubts. As concern has grown over American leadership in the fields of energy, international finance and assistance to embattled friends, so disarray and lack of an American consensus in the strategic nuclear field could cause qualms about basic alliance relationships and could bring about shifts in the center of political gravity from the United States toward the U.S.S.R.

As the debate moves to include these broad political dimensions beyond the details of SALT II, it should also stimulate consideration of the other problems America faces with respect to the Soviet Union. These must include our conventional-force imbalance and the problem of dealing with Soviet subversion and Cuban proxies. We must also face up to the need for firm support of our friends and allies against outside siren songs or internal turmoil, despite cries for our non-interference.

This dimension need not "link" all our problems with the Soviets to SALT II and make it hostage to our satisfaction across the board. But it should alert us to the need to fashion appropriate policies, programs and weapons to protect ourselves and our allies at each level of threat. In this larger political dimension, the benefits of SALT II can be better appreciated for the talents and resources it will free to devote to other purposes. The "small step for man" presented in SALT II can then be firmly taken by Americans as a component of a "giant step for mankind" that a stable U.S.-U.S.S.R. relationship could produce. ●

CAPTIVE NATIONS WEEK

● Mr. SCHWEIKER. Mr. President, 20 years ago, President Eisenhower instituted the celebration of Captive Nations Week as an annual tribute to the peoples of Eastern Europe who were forcibly subjected to Soviet-style totalitarian communism and denied the development of their cultural identities. Belying their official designation as "people's democracies," Soviet satellite states have systematically suppressed the human rights of their citizens and deprived them of those political liberties central to genuine democracy. Attempts to cast off the stifling yoke of tyranny or otherwise promote gradual social and political reform have been brutally crushed by governments who perceive in these yearnings an unacceptable challenge to their own legitimacy. Hungary in 1956 and Czechoslovakia in 1968 stand as but two testaments to the valor of those willing to suffer in pursuit of freedom as well as to the ruthlessness of those desperate to eradicate it.

Nevertheless, it is a revealing commentary on the resilience of this undying quest for a liberalized system—and the bankruptcy of the Communist system itself—that, even as the forces of repression have grown more pervasive and sophisticated in their application, the spirit of freedom is not destroyed

but rekindled. While the West seems transfixed by the specter of enhanced Warsaw Pact military power in Europe, a Polish Pope elicits frenzied acclamations in his native land by observing simply that no political regime can deny the spiritual essence of freedom. The aspirations embodied in the human rights provisions of the Helsinki Final Act cannot be restrained by cynical governmental resistance to honoring international obligations.

On this 20th anniversary of the proclamation of Captive Nations Week, the United States must reaffirm its commitment to encouraging political liberalization in Eastern Europe and respect for basic human rights. Indeed, the progress made to date in relaxing state control appears an inevitable concession to the intensity of popular feeling and expression. Unlike the pious but unrealistic declarations of the past concerning physical rollback of the Iron Curtain, the liberation we see unfolding involves the more immediate and effective manifestation of an unfettered will to survive in freedom. No measure of physical oppression, however ruthlessly enacted, can quell the independent spirit nourishing hopes for a life free of coercion. The governments of Eastern Europe contemplate with trepidation the restiveness of ethnic minorities and others whose indomitable yearning for independence threatens a supposedly tightly woven political fabric. Each act of repression only encourages further defiance and inflames nationalist sentiment.

In commemorating Captive Nations Week, we honor our own commitment to democratic pluralism and the extension of political liberties to those unjustly deprived thereof. Beyond a natural defense of the democratic concept, our concern for the welfare of "captive" peoples reflects an appreciation of the enormous contributions made toward strengthening our own democracy by those Eastern Europeans who emigrated to our shores. Our efforts today testify to the courage of those "prisoners of conscience" who share with us the hope that the chains of political and cultural bondage will someday be broken and the freedoms we cherish will be realized. ●

THE FRAUD HOTLINE

Mr. SASSER. Mr. President, I wish to take this opportunity to report to my colleagues on the progress of the fraud hotline established last January.

My colleagues will recall that this hotline was established at my request, and with the strong support of the former ranking member of our Legislative Appropriations Subcommittee, the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

The hotline was installed at the General Accounting Office with the cooperation of Comptroller General Elmer Staats.

I first made the suggestion for the hotline at a December 4, 1978 hearing which we conducted on fraud in Government.

The hotline allows any concerned citizen with knowledge of fraud and abuse—

in any Federal program—to report that knowledge to a General Accounting Office Special Task Force for the Prevention of Fraud. The anonymity of any caller will be respected—the name of the caller need not be given to the task force. In 62 percent of the cases, the caller has chosen to remain anonymous.

Mr. President, I ask unanimous consent that the fraud hotline number be printed in the RECORD.

There being no objection, the number was ordered to be printed in the RECORD, as follows:

FRAUD HOTLINE

The national toll free fraud hotline is 800-424-5454. In the Washington, D.C., metropolitan area the number is 633-6987.

Mr. SASSER. Mr. President, I ask unanimous consent that a description of the GAO fraud hotline procedures be printed in the RECORD at this point.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

GAO TASK FORCE HOTLINE PROCEDURES

Each caller on the GAO "Fraud Hotline" is interviewed following the general format of a data collection form, with a separate control number assigned to each call. This will be used to track those allegations which appear substantive through later verification of facts and investigation if warranted. The type of information GAO is attempting to record is:

Federal agency or source of Federal funds/material involved in the allegation.

Specific locations where the action is alleged to be taking place.

Recurring or one time?

Length of time activity has been going on.

Extent of activity (some idea of number of people involved).

Estimate of dollar value involved.

The GAO Task Force will provide an initial screening of the calls to eliminate those which are obviously non-substantive. Those which appear to be substantive but relate to program effectiveness and efficiency rather than fraud will be referred to the operating divisions of GAO for consideration in their audit work. Those which appear to be allegations of fraud will be coordinated with the appropriate agency Inspector General for investigation. In the event the agency Inspector General is unable to respond in a timely manner because of manpower limitations or priority of on-going work, GAO will perform a verification of facts relative to the allegation utilizing regional offices. This data will be evaluated by GAO and a decision made relative to referral to the Department of Justice for possible prosecution.

FIRST 6 MONTHS PROGRESS

Mr. SASSER. Mr. President, during the first 6 months of operation—the period of January 18 through July 23, 1979—over 6,000 allegations had been written up by GAO Task Force personnel.

The task force is now in the process of classifying the 6,000 allegations—as to materiality, agency, and program involved, and geographic location.

Initial computer analysis of the first 5,437 allegations is complete. The follow-up on these hotline leads has begun. Additional calls are being received daily, and will be handled by the same process.

MIX OF CALLS

Of the 5,437 allegations reviewed so far, 3,611 or 66 percent appear to have sufficient substance to merit further consideration for audit or investigation.

(The other 34 percent relate to non-Federal activities or lack sufficient factual information to justify further consideration for audit or investigation at this time.)

The 3,611 allegations that merit further consideration for audit or investigation have been received from 50 States, the District of Columbia, and overseas locations.

Mr. President, I ask unanimous consent that a State-by-State listing of the locations of these 3,611 hotline allegations be printed in the RECORD at this point.

There being no objection, the listing was ordered to be printed in the RECORD, as follows:

Location of reported activity	
Washington, D.C.	207
Alabama	72
Alaska	12
Arizona	50
Arkansas	47
California	366
Colorado	74
Connecticut	21
Delaware	6
Florida	180
Georgia	108
Hawaii	7
Idaho	17
Illinois	97
Indiana	53
Iowa	31
Kansas	18
Kentucky	56
Louisiana	59
Maine	18
Maryland	87
Massachusetts	73
Michigan	121
Minnesota	26
Mississippi	52
Missouri	120
Montana	23
Nebraska	17
Nevada	10
New Hampshire	16
New Jersey	74
New Mexico	25
New York	177
North Carolina	68
North Dakota	16
Ohio	180
Oklahoma	54
Oregon	27
Pennsylvania	177
Rhode Island	14
South Carolina	20
South Dakota	19
Tennessee	158
Texas	133
Utah	15
Vermont	1
Virginia	146
Washington	86
West Virginia	30
Wisconsin	44
Wyoming	2
Overseas	18
Missing State Codes	84

AFFECTED FEDERAL AGENCIES

Mr. SASSER. Mr. President, the 3,611 hotline allegations that have been selected for further consideration for audit or investigation affect virtually every major department or agency in the Federal Government. We have compiled a list of the affected Federal agencies. I ask unanimous consent that an agency-by-agency listing of the affected Federal agencies be printed in the RECORD at this point.

There being no objection, the listing was ordered to be printed in the RECORD, as follows:

LIST OF AFFECTED FEDERAL AGENCIES

Department of Agriculture	132
Department of Commerce	41
Department of Defense (other than Air Force, Army, Navy)	96
Department of the Air Force	120
Department of the Army	182
Department of the Navy	199
Department of Energy	42
Department of Health, Education and Welfare (other than SSA, OE)	299
Social Security Administration (Welfare SSI)	501
Office of Education	39
Department of Housing and Urban Development	263
Department of the Interior	126
Department of Justice	92
Department of Labor	331
Department of State	16
Department of Transportation	102
Department of the Treasury (other than IRS)	51
Internal Revenue Service	236
Community Services Administration	36
Environmental Protection Agency	60
General Services Administration	98
National Aeronautics and Space Administration	17
Small Business Administration	28
Tennessee Valley Authority	18
United States Civil Service Commission	19
United States Postal Service	134
Veterans Administration	184
All other	149

TYPES OF ALLEGATIONS RECEIVED

Mr. SASSER. Of the 3,611 allegations selected for further consideration, about 38 percent are instances of apparent mismanagement. Generally, these allegations will be dealt with through the audit process rather than the investigative process.

In contrast, the remaining 62 percent—2,249 allegations—appear to be instances of intentional wrongdoing or fraud.

Mr. President, I ask unanimous consent that a table and a short narrative categorizing the 2,249 allegations of intentional wrongdoing be printed in the RECORD.

There being no objection, the table and narrative were ordered to be printed in the RECORD, as follows:

	No. of Allegations	Percent of total
Participant category:		
1. Federal employees only	693	30.8
2. Federal employees in conjunction with others	212	9.4
3. Federal contractors or grantee organizations	523	23.3
4. Corporate recipients of Federal financial assistance	11	.5
5. Individual recipients of Federal financial assistance	500	22.2
6. Other individuals or corporate entities	310	13.8
	2,249	100.0

The "Federal employees only" category included 84 allegations of theft, 68 allegations of private use of government property, 178 reports of employee working hour abuses, 178 reports of improper financial transactions, and 185 reports of other improper activities.

The "Federal employee in conjunction with others" included 122 allegations of a bribe or kickback having been paid, 3 allegations of extortion and 87 miscellaneous other allegations.

The "Federal contractor/grantee" category

included 208 allegations of improper expenditure of Government grant funds, 47 allegations of contract nonperformance, 52 reports of the theft of Government funds or property and 216 other allegations of various natures.

The category "Corporate recipients of Federal financial assistance" involved 11 instances of improper receipt of subsidy funds.

The "Individual recipients of Government financial assistance" included 133 allegations of welfare cheating, 95 of cheating on social security benefit eligibility, 94 of collecting inappropriate disability benefits, 35 of cheating on veterans benefits, 24 instances of food stamp cheating, 38 of medicare/medicaid cheating and 81 miscellaneous allegations.

The sixth and final category, "Other individuals or corporate entities" included 186 allegations of personal and corporate income tax cheating and 124 other allegations of improper activity.

WIDESPREAD REPORTS OF WRONGDOING

Mr. SASSER. Mr. President the instances of alleged intentional wrongdoing is widespread throughout the Federal Government. Intentional wrongdoing has been reported involving the funds of every one of the 12 Cabinet departments of the Federal Government. These cases involve activity in all 50 States and the District of Columbia.

REFERRAL OF CASES TO AGENCY INSPECTORS GENERAL

Mr. President, we are now getting close to the bottom line. I hope my colleagues will be encouraged to hear that the General Accounting Office has already referred 1,174 of these cases to agency Inspectors General for their action.

What this means is that there are 1,174 cases of intentional wrongdoing now in the hands of Inspectors General—cases that probably would never have been investigated had it not been for the establishment of the fraud hotline in January 1979.

LIST OF REFERRALS

I ask unanimous consent that an agency by agency list of the 1,174 cases that have been referred to agency Inspectors General or their equivalents be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD as follows:

Department or agency and cases referred	
Health, Education and Welfare	284
Labor	141
Housing, Urban Development	171
Defense	154
IRS	76
Veterans Administration	56
General Services Administration	58
Agriculture	43
Post Office	26
Interior	27
Environmental Protection Agency	23
Transportation	19
Energy	13
Commerce	11
Justice	15
Treasury	16
Small Business Administration	8
NASA	7
Law Enforcement Assistance Administration	11
GAO	10
Community Services Administration	4
Office of Manpower and Budget	1

Total referrals 1,174

In addition, 15 cases have been referred directly to the Department of Jus-

tice of their investigation or prosecution.

Mr. President, I urge the various agency Inspectors General to actively follow these cases to their conclusion.

Mr. President, I want to extend my thanks to the Comptroller General, Mr. Elmer Staats, who has aggressively pursued our suggestion for a nationwide hotline.●

HEALTH CARE

● Mr. DURENBERGER. Mr. President, sometimes our best intentions go awry. Try as we might to build a better life for all citizens, we occasionally find ourselves with egg on our faces and asking, "What went wrong?"

Such is too often the case with our confusing system of health care. The irony and waste of our present system is not hidden in pages of statistics. Examples abound in our everyday world. Just ask 66 Roman Catholic priests in Spokane, Wash., who are required by a Supreme Court decision to pay for maternity insurance as part of their group policy.

The changes in Roman Catholicism during the past two decades have been dramatic. Among other innovations, we have a Polish Pope and English has replaced Latin. I will guarantee you, however, that maternity insurance for priests is as unnecessary as a gold watch for extended service for members of President Carter's Cabinet.

Our health care system too often treats everyone the same. Consumers of health care have too few choices. For most of us our health care costs are covered by a single group policy offered by our employer or by medicare. The options are few. We pay for benefits we do not need, as in the case of the 66 priests, or we are unable to obtain benefits that are necessary.

The results are unnecessary expenses or inadequate coverage for consumers and extra costs for employers and the Government.

On July 12 I introduced the Health Incentives Reform Act of 1979 that would change this system. Under this proposal, consumers would have the option of choosing the best coverage for their situations. Their benefits would be no more and no less than they actually need. Once we have given consumers the ability to choose the plan that suits their purposes, we have established a system in which all members of the health care industry are competing for the available business. Time and again we have seen the effects of competition in the marketplace—better quality service and lower costs.

An important goal of the Health Incentives Reform Act is to make the consumer's choice a knowledgeable one. According to this plan, most consumers will be able to select from among three competing options—each one printed in easy-to-understand language.

Mr. President, the inherent waste in our present system must be eliminated. As a reminder of the state of our current system, I ask that the story of the 66 priests as related in the July 27 Wash-

ington Post be printed in today's RECORD.

The article follows:

POLICY FORCES PRIESTS TO PAY FOR MATERNITY

SPOKANE, WASH., July 26.—The comptroller of Spokane's Roman Catholic Diocese says he nearly "fell off his chair" when he learned that all 66 priests covered on a group medical policy now have to pay 30 cents a month extra—for maternity benefits.

The priests are required to pay because a U.S. Supreme Court antidiscrimination ruling mandates that employers holding a group medical policy covering 15 or more workers must pay for maternity benefits for all employees, the same coverage as for any other illness.

Since there are 66 priests on the diocesan policy, they must pay for the maternity benefits even though they do not need them.

"It's crazy. I just about fell off my chair. It is silly to be paying for benefits we will never collect," said the Rev. Theodor DeJong, diocesan comptroller. "We are paying something for nothing. It's not so much the money, it's the principle of the thing."

"It would have to be a double miracle," DeJong said jokingly. "First of all a priest would have to have a baby, and then—because of the celibacy vows—it would have to be an 'Immaculate Conception'."

The priests were covered by a plan that excluded maternity coverage until April 1977 when Blue Cross of Washington and Alaska incorporated the diocesan policy with policies covering about 1,600 other groups in a community rating package.●

NATIONAL HEALTH INSURANCE AND RURAL AMERICA

● Mr. BAUCUS. Mr. President, the United States Department of Agriculture just released a report entitled "Health Care in Rural America." This report confirms that nonmetropolitan areas have fewer health resources available to them than metropolitan areas. Nonmetropolitan residents have greater unmet health needs than metropolitan residents. These special needs include larger aged populations, lower incomes, hazardous occupations, and lower educational levels.

Mr. President, we are failing to improve conditions for those areas greatest in health needs—this Nation's rural areas.

Congress will continue to debate the issue of a national health insurance program. The Finance Committee, of which I am a member, will be intimately involved with the development of some form of program designed to provide greater health insurance coverage to Americans.

Central to the discussion over the parameters of expanding the Federal Government's role in health care is the issue of cost and affordability. How much can we afford to invest in a new venture and is our goal to make health care financially affordable to every United States resident?

A less obvious issue, but just as crucial, is improving the availability of health care to those located in medically underserved rural areas. If these residents do not have access to basic primary health services, then all the money in the world will not improve their health status.

The Health Care in Rural America re-

port demonstrates once again that we have failed to attract and retain health care providers in rural areas in an effort to raise the health status for rural America.

This fact, this reality, must be a key component of our dialog over enlarging the Government's participation in health care. I would urge that any new program address the acute health care shortages for rural communities.●

NOTICES OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization. The Select Committee on Ethics has received a request for a determination under rule 43 which would permit Mr. Murray Zweben, Parliamentarian of the Senate, to participate in the visitors program of the press and information section of the Federal Republic of Germany during the period from August 20 to September 1, 1979. It has been determined that Mr. Zweben's travel, at the expense of the Government of the Federal Republic of Germany, is in the interest of the Senate and the United States.

Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization. The Select Committee on Ethics has received a request for a determination under rule 43 which would permit Frank Bray of Senator HUMPHREY's staff and Nancy Wolicki of Senator DeCONCINI's staff, to participate in a program sponsored by a foreign educational organization, Tunghai University, Taipei, Taiwan from August 10 to August 18, 1979. It has been determined that travel by the above-named individuals, at the expense of the University, is in the interests of the Senate and the United States.

Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization. The Select Committee on Ethics had received a request for a determination under rule 43 which would permit Abe Shulsky of Senator MOYNIHAN's staff, to participate in a program sponsored by a foreign educational organization, Soochow University, Taipei, Tai-

wan from August 5 to August 13, 1979. It has been determined that Mr. Shulsky's travel at the expense of the University, is in the interest of the Senate and the United States.●

BROAD SUPPORT FOR TRUCKING DEREGULATION

● Mr. KENNEDY. Mr. President, a short while ago my colleague, Senator METZENBAUM, inserted in the RECORD numerous editorials published in newspapers throughout the country urging congressional action on trucking deregulation. At a time when Members of Congress are being lobbied extensively by representatives of the trucking industry and the Teamsters Union, it is important that we realize the overwhelming support for deregulation among opinion leaders in the media and in vast segments of the public.

Numerous additional editorials have appeared in recent months which underscore the importance of this issue and its broad public support. In the coming days, I will be inserting in the RECORD, for the benefit of Members and their staff, these editorials and other materials which indicate why decisive congressional action is so urgently needed.

The editorials I am today inserting are from the States of Alabama, Arizona, California, and Colorado.

Mr. President, I ask that they be printed in the RECORD.

The editorials follow:

[From the Huntsville (Ala.) Times, June 29, 1979]

ANOTHER DEREGULATION

Just as deregulation of airlines brought immediate savings to American travelers, the deregulation of the trucking industry could bring widespread changes to both manufacturers and consumers, and certainly to the industry itself.

Some of the regulations that govern the trucking business are simply archaic and should have been repealed years ago. For instance, some trucks can haul two gallon cans of paint but cannot transport five-gallon cans of paint. One truck line can haul pineapples only if it carries a load of bananas at the same time.

Truckers often drive hundreds of miles with their trucks empty simply because another line has the authorization to travel over the same highway with goods. The regulations of the Interstate Commerce Commission, like those of the airline industry, have tended to restrict and stifle the trucking industry and to maintain artificially high rates.

President Carter's suggestions for dropping many of the federal controls on the trucking industry, outlined Thursday afternoon, will alleviate some of the problems truckers have been protesting for the last several weeks. There is no reason why the trucking industry should be exempt from competitive rules that govern other industries.

In almost any situation in which the government seeks by deliberate regulation to protect some industry from imagined ills or faults, the consumer ends up footing the bill. The greater flexibility offered in the trucking business as a result of the proposed changes could reduce the cost of transporting thousands of products. That savings could end up benefitting the consumer who is now paying for the archaic rules the ICC has been enforcing.

The deregulation of the trucking industry follows promises made by Carter when he was campaigning to make competition—and not

government protection—a major part of American business life. The latest proposals are sound and should be implemented.

[From the Phoenix Republic, Mar. 10, 1979]

ON THE RIGHT TRACK

Unlike the airlines industry, which fought deregulation, and the trucking industry, which is fighting it now, the nation's railroads have launched a drive to get out from under the iron hand of the government.

The Association of American Railroads has come up with a deregulation plan that goes far beyond anything the Carter administration has contemplated.

The railroads were largely responsible for the creation of the Interstate Commerce Commission in the first place, and for years, they prospered under regulation, but they have since fallen on hard times. They are now the sick man of the U.S. economy.

During the past decade, the rate of return on the investment of Class I railroads in transportation property has averaged 2.8 percent. This is not enough to enable them to maintain adequate service. In the Northeast, the once mighty Penn Central and five other Class I railroads are in bankruptcy.

Not all the railroads' troubles are the result of government regulation. Bad management, unrealistic work rules, imposed by the unions, competition from trucks, airlines and barges, and changes in the economy also play a part.

However, the majority of the members of the AAR have finally come to the conclusion that getting rid of regulation would be a major step toward solving their other problems.

The AAR plan calls for a major relaxation of the ICC's control of railroad rates, freight-car operations, efforts to abandon unprofitable business, and plans for mergers.

The railroads believe this would make it possible to integrate on a more rational basis, and thus save money while at the same time improving service. This would make them more capable of competing with trucks and barges.

They also believe it would result in a rate structure based on economic rather than political considerations.

The AAR plan is bound to run into opposition from small towns, which believe they might lose rail service, from small shippers, who fear they would have to pay higher rates from barge owners and from truckers. Some railroads, which look on the ICC as a security blanket, also will fight it.

In addition, the administration may find some of the specific AAR provisions objectionable.

The small towns can switch to trucks for transportation. The small shippers will suffer, true, but there's no valid reason for a rate structure that, in effect, subsidizes them. Nor is there any valid reason for preventing the railroads from competing with other forms of transportation on a more equal basis.

A healthy railroad system is essential to the economy. Some of the specific AAR proposals may not be wise, but the railroads are on the right track.

[From the Phoenix Gazette, July 2, 1979]

TRUCKING TRAUMA

Trucks are as big in the news as they are on the highways. In the midst of a nationwide independent truck strike, President Carter and Senator Kennedy shifted into high promotion gear on their proposals to deregulate the trucking industry.

While there are connections between the strike and deregulation, they are basically separate issues. The shutdown by the independent truckers is an explosion of protest over fuel policies.

Deregulation is a long-simmering issue,

brought to boil by the success of deregulation of the airlines last year.

By breaking the distribution link in the nation's food supply chain, the truck strike poses the more pressing danger. This break must be repaired quickly by Carter and the Democratic-controlled Congress lest it wreck the economy.

Deregulation of the trucking industry is not of such immediate concern. But, in the long run, it is as essential to maintaining the economy in good running condition as is ending the truck strike emergency.

There's a grand irony to the coincidence of these two trucking traumas. Carter, Kennedy, et al, not known as defenders of the free enterprise system, want to deregulate trucking for the very good reason that it will foster competition in the marketplace, tending to produce lower prices and better services.

But this same crowd of Democratic leaders has been regulating fuel supplies and prices with a passion. The result has been the mess that has led frustrated independent truckers to stage their massive, self-destructive protest.

Let Carter, Kennedy and Congress get together and demonstrate their belief in the value of deregulation by ending their efforts to control energy supplies and prices. A free market would soon sort things out.

[From the Fairfield (Calif.) Republic, June 28, 1979]

PUBLIC INTEREST

It's hard to believe that the U.S. government is interested in fighting inflation and conserving fuel when its own regulations can force a truck bound from Denver to Albuquerque to go by way of Salt Lake City—a 300-mile detour. But that's the kind of costly and wasteful nonsense that occurs with the blessing of the Interstate Commerce Commission.

President Carter has now added deregulation of the trucking industry to the agenda of the 96th Congress. It should get a high priority to bring its benefits to bear as quickly as possible. The president estimates that over-regulation and lack of competition in truck transportation are costing consumers as much as \$5 billion a year.

Among other things, the deregulation plan would allow easier entry into the trucking business, and provide greater freedom in raising and lowering rates. It would end many restrictions on what trucks can carry, permit them to take the most direct routes to a destination, and lift the rules which often force trucks into long "deadhead" runs carrying no cargo.

The case for a free, competitive market in the truck industry speaks for itself, but major trucking companies and the Teamsters Union, which represents most of their drivers, are digging in for a fight. Deregulation would end route monopolies and the legalized price-fixing which protect established operators. On the other hand the president's plan is supported by independent truck operators who stand to gain from being able to compete with bigger companies.

[From the Los Angeles Herald-Examiner, June 26, 1979]

LET'S KEEP ON TRUCKIN'

"Cheaper crude or no more food": we've heard the song, now we're learning what it really means. It means that the nation's independent truckers, pushed to the wall by soaring fuel prices and an unresponsive regulatory system, have decided to deny food—not to the Arabs but to us.

This simply does not make sense. The truckers are understandably incensed with the high cost of diesel, and with the Interstate Commerce Commission's (ICC) inability to approve rate changes with the same speed the Arabs are raising the price of fuel.

The price problem is compounded by short diesel supplies, which add costly hours to trips and thus eat up even more profits. The obvious solution to the problem is to dismantle the maze of regulations which governs the trucking industry. Those regulations date back to—and reflect the leisurely pace of supervision warranted by—an era of 2 percent inflation, 70-mph speed limits, gas wars and nickel coffee. But those days are gone—and with them have gone the rationale and relevance of a regulated trucking industry.

The situation demands the kind of reforms presented to Congress by President Carter in his truck deregulation package. Carter's improvements would end authorized price-fixing in the regulated sector of the market; would make it easier to get into the business; would facilitate fluctuating rate changes resulting from increased competition; and would eliminate some of the industry's more Byzantine practices.

Instead of constructively lobbying for deregulation, the independents are going themselves and the economy by going on strike. The strike isn't going to affect OPEC one way or the other; just as Washington's order to change diesel priorities isn't going to make more gas available. Meanwhile, food riots in the fields, slaughterhouses close down, workers all across the country are laid off, and what promises to be but the first of the stragglers is shot. Republic Van Lines announces it is going out of business.

We would suggest that the appropriate target for the independents' wrath is that sector of the market which is regulated. That is the sector of the market which is staunchly opposed to deregulation: the influential American Trucking Associations, Inc., and the highly visible Teamsters Union. While the independents go broke trying to cope with the mindless and mindboggling regulatory caveats institutionalized by these groups, the regulated truckers insist that all is well. In fact, they go one step further. They invoke the specter of disaster if regulation ends.

Needless to say, this is precisely what the airlines predicted when the government started talking about deregulating the wings of man. But the airlines weren't ruined by deregulation. Not at all.

The trucking industry desperately needs the same kind of flexibility that our airlines now have. That's why we're supporting the president's truck deregulation plan, and urging Congress to do the same. Given current government policies, we cannot expect to exert meaningful downward pressures on the world price of oil. So if diesel prices are high now, they're only going to get higher. Therefore, we should do everything in our powers to make the trucking industry as flexible and responsive to those fuel price pressures as we can. The president's plan is the best solution to those pressures we've seen yet.

[From the Sacramento (Calif.) Bee, July 6, 1979]

TRUCKING DEREGULATION

If ever an industry is ripe for deregulation, it is trucking. For 40 years it has been subject to Interstate Commerce Commission regulations which have kept competition low and freight rates high.

Approximately 16,000 interstate motor carriers are licensed by the ICC, which seems to suggest there's a lot of competition in the business. But the fact is that under ICC regulations truckers are allowed to set rates jointly, immune in this respect from antitrust laws, and that a few large trucking companies carry the bulk of the freight. A study done several years ago estimated that less than 1 percent of the regulated carriers earn more than half of the trucking industry's revenues.

Federal regulations now make it difficult for newcomers in the industry to obtain

licenses to transport goods. This increases the value of existing franchises. The result is that persons wanting to enter interstate trucking frequently have to buy licenses, at high prices, from those who hold them.

Some regulations require truckers to take circuitous routes when shorter and cheaper runs could be made. Others prohibit certain truckers carrying one kind of goods to a city or a town from picking up a load of some other kind of goods for the return trip. The result is that many trucks make the return trip empty.

Recognizing these things and fulfilling a pledge he made more than two years ago at a town meeting in Clinton, Mass., where he said his administration favored deregulation of all aspects of the transportation industry, President Carter has submitted proposed legislation which would stimulate competition in the trucking industry and save consumers \$5 billion a year in shipping costs.

Carter's proposals would outlaw the now-legal price fixing among truckers and would remove the restrictions that bar truckers from carrying certain commodities or taking the most direct routes. They would allow easier entry into the trucking business and give greater freedom in raising and lowering prices without ICC approval.

Although Carter has been joined by Sen. Edward Kennedy in his efforts to deregulate the industry, and the president's proposals are endorsed by the Independent Truckers Association, the National Association of Manufacturers, the National Farmers Organization and Common Cause, it won't be easy to get the bill through Congress.

Trucking interests that thrive under federal regulation, such as the large firms represented by the American Trucking Association, and the Teamsters Union whose members drive for them, are sponsoring an all-out lobbying campaign against the bill. If they are successful in defeating the measure, the \$100 billion industry will be free to set rates and continue charging what the traffic will bear. Nonetheless, there is a good possibility that under the growing political pressure to stem inflation the legislation will pass. Carter and Kennedy may thus be able to accomplish a task that should have been undertaken long ago.

[From the Sacramento (Calif.) Union, June 25, 1979]

CARTER PROPOSAL: TRUCKING DE-CONTROL PROMISES BIG FIGHT

Aside from the merits of the plan, President Carter had two good reasons for proposing gradual deregulation of the nation's trucking industry. One, it would benefit many of the 100,000 independent truck owner-operators, who have been conducting violent strikes and blockades in support of demands for more and cheaper diesel fuel. Maybe this would encourage them to go back to work.

Another reason was that deregulation could be expected to be welcomed by consumers, i.e. voters, and thus perhaps bolster the president's sagging popularity. In a message to Congress, Mr. Carter said his Council on Wage and Price Stability estimates that consumers pay some \$5 billion extra each year because of federal regulations that protect the trucking industry.

Administration aides are quick to remind us that Mr. Carter supported and signed legislation deregulating airlines last year. The result has been dramatic reductions in some air fares and increases in service on many routes. Airline company profits soared as ridership skyrocketed.

Whether truck deregulation would have the same happy result is difficult to forecast, but the prospects seem bright. Mr. Carter's plan includes ending legalized price-fixing

among trucking owners, a phase-out by 1984 of all federal restrictions on the commodities they may carry and the routes they must follow, and authorization to cut rates as much as 20 percent a year without government interference.

One obvious saving would result from eliminating restrictions on "backhauls," the loads truckers seek to carry on return trips. The Interstate Commerce Commission (ICC) says more than 20 percent of all truck miles are driven empty because of regulatory restrictions.

Ending restrictions on commodities by Dec. 31, 1983, would mean, for example, an end to such foolishness as allowing one trucker to haul pineapples only if they are mixed with a load of bananas. Another can haul two-gallon paint cans but not five-gallon paint cans.

ICC activities and red tape would be drastically curtailed. Truckers applying to offer a new service would not have to prove in years-long trials that the service is required for the public's convenience and necessity.

The "agricultural exemption" would be expanded, allowing unregulated hauling of many more food and farm products than at present.

Many airlines originally opposed deregulation, and truckline owners don't like the idea either, calling it counter-productive. Industry spokesmen believe federal regulations have prevented cutthroat competition that would enable strong firms to drive out competitors and raise prices to new highs.

We foresee a battle of economic theories as the administration and trucking industry argue the issue before congressional committees. But based on the experience of airline deregulation and, indeed, the history of the American free enterprise system, we come down on the side of the principle that the more competition, the better.

[From the San Diego (Calif.) Tribune, June 26, 1979]

TRUCK COMPETITION WILL HELP CONSUMER

The recent airport trading in "half-price coupons" issued by two major airlines is merely the most dramatic of the consumer bonuses resulting from the lifting of regulations on the airline industry.

Fares have dropped. Routes and schedules have been made more responsive to passenger needs.

Now President Carter and Senator Edward M. Kennedy, D-Mass., have proposed similar deregulation of the trucking industry, which would eliminate mandatory practices that place a burden on both truckers and their clients.

If Congress concurs, legalized price-fixing will be phased out by 1984. Restrictions on what cargoes truckers may carry will be lifted. The truckers will be able to follow the shortest routes. They will be allowed to cut rates by as much as 20 percent a year.

The American consumers will share in an estimated \$5 billion savings in trucking charges every year. The president's Council on Wage and Price Stability estimates the average benefit to each family at \$100 a year.

The Carter plan will allow independent truckers access to new markets and permit more minorities to enter the business.

The powers of the Interstate Commerce Commission to control trucking operations too often have been used to inflate industry profits and stifle competition. Consumers have little voice in the regulatory process.

Deregulation in the trucking industry will help break the stranglehold on markets enjoyed for years by firms protected from competition in price and services by a federal umbrella.

But these firms and the Teamsters who work for them will not release their stranglehold willingly or easily. The truckers asso-

ciation and the labor union have threatened to launch an all-out campaign to block congressional approval of deregulation of the industry. They fear that competition will impair their "sweetheart" deal, and they couch their opposition in high-sounding terms. But nothing should be allowed to conceal their naked self-interest.

Congress should respond quickly and positively to the president's plan in the interest of its constituency—the consumers.

[From the San Diego (Calif.) Union,
Mar. 17, 1979]

THE GOLDEN GOOSE

There are disquieting reports out of Washington that the White House is holding back on legislation to deregulate the trucking industry because of current contract talks between the Teamsters and the industry.

We are told that the administration hopes the Teamsters will abide by the President's voluntary wage guidelines, which include a seven percent ceiling on annual increases in wages and benefits. With the two-million member Teamsters union vehemently opposed to deregulation, the White House apparently believes that delaying introduction of the legislation might moderate the union negotiators' wage and benefit demands.

There is nothing new, of course, about such political trade-offs. They are the meat and potatoes of Washington politics. And, if a modest delay in introducing the administration's deregulation bill could, in fact, induce the Teamsters to settle for a non-inflationary three-year contract, the public interest would be well served.

However, as the President and his aides cannot have but noticed, the Teamsters appear decidedly unmoved by the administration's stalling on deregulation. It has been learned that the Teamsters are demanding a wage and benefit package that adds up to a whopping 71 percent increase over three years. So much for observance of President Carter's seven percent per year voluntary guidelines.

Frankly, we never entertained any great hope that the Teamsters' traditional militance at the bargaining table would be bartered away for anything as transitory as a delay of a few months in the administration's laudable drive to deregulate the nation's trucking industry. Nevertheless, it is hardly fair to rebuke the administration for trying. After all, the inflationary effects of a new Teamster contract anything like the one put forward by the union would be considerable.

These new inflationary pressures would far outweigh the deleterious effects of a brief delay in introduction and enactment of trucking deregulation legislation. But now that the administration's strategy has proved barren, we see nothing to be lost by prompt introduction of the deregulation measure. Indeed, that is what we expect.

The only other possibility is that the administration might decide to scrap its deregulation proposal altogether in exchange for incremental moderation in the zeal with which Teamster negotiators pursue their 71 percent wage and benefit package. We worry about this because it would be a deal the Teamsters might conceivably accept.

The Interstate Commerce Commission's regulation of the trucking industry shields Teamsters from the competitive pressures that help restrain wages in other industries. Regulation is a golden goose for the Teamsters no less than for their protected employers. Union negotiators might well be tempted to settle for much less than a 71 percent increase should the Carter administration quietly promise an indefinite stay of execution for their regulatory goose.

The Teamsters would be happy and the administration could claim a "victory" for the President's battered anti-inflation campaign.

Should signs of such a deal develop, Congress and the country ought to rise in in-

dignation. Washington's maladroit regulation of the trucking industry costs consumers up to \$3 billion a year in unnecessary costs. For the Carter administration to perpetuate this burdensome waste for the sake of an, at best, partial triumph in the Teamster-industry negotiations would amount to a surrender of the public interest.

[From the Santa Ana (Calif.) Register,
Mar. 14, 1979]

TRUCK GROUP DEFENDING REGULATION (By Sam Campbell)

Politics is the art of depriving your enemies, rewarding your friends and looting the neutrals.

And government is mostly politics.

Sometimes the reward is conferred by means of a congressional appropriation which, like a heavenly blessing, may seem to shower dispassionately upon all alike. But on closer examination, you characteristically find that a favored few were more blessed than others.

In other instances, legislation is used to prohibit the many from a specific line of work or market activity in order that the few will not be overly pressed by hungry competitors. Unions undertake to mark off an employment preserve for themselves without express legislation. Businessmen occasionally strive to ensconce themselves by direct appointment of Congress, or to maintain themselves in such a favored status.

An example of such a business combine is the membership of the American Trucking Association, Inc. You can't really blame them for being "in." That's the way the system was set up when most of them were born. The only alternative that any of them had was to conform to the existing rulebook or stay out of the transportation business.

The real surprise is not that numbers of businessmen have learned to live with the coercive system, but that any of them would have the gall to defend it. Yet that is exactly what happened.

Such a defense came Monday from Donn McMorris, chairman of the American Trucking Associations, Inc. Addressing the Air Freight Motor Carriers Conference, McMorris attacked individuals who happen to oppose his particular point of view.

"Deregulation is becoming an obsession with certain people in this country," he declared, "and they are determined to force their obsession on the rest of us whether needed or not."

He noted that the trucking industry continues to oppose deregulation efforts supported by the Carter administration and Sen. Ted Kennedy.

If you read McMorris' statement carefully, you will find a basis for harmony. Obviously, there are two opinions on the subject. Some—like McMorris—wish to continue regulation; others would prefer to end it. McMorris indicates that he doesn't want the deregulators to force their obsession on him. Just as obviously the deregulators don't want McMorris to force his viewpoint on them.

In the interest of peace, therefore, the deal could be this: If McMorris and company will stop enforcing regulation on others as they have been doing for the last 50 years, they who favor deregulation will not insist that McMorris et al be deprived of it. In other words, neither party forces his will upon the other. Let all compete, and may the best set of operators win.

If coercion is as offensive to McMorris as he indicates, he won't be able to turn this offer down.

[From the Vista (Calif.) Press, June 25,
1979]

Deregulate Trucking Industry

There can be no doubt that President Carter's proposals to deregulate the trucking industry are sound and should have been

carried out years ago. It is nothing short of amazing how such nonsensical New Deal regulations could have endured for the past 40 years.

One of the most ridiculous regulations is the fact that the Interstate Commerce Commission won't allow truckers to return home with a load. That is, a trucker making a haul from Atlanta to San Diego is not allowed to haul goods on his return trip to Atlanta.

Another ridiculous regulation of the ICC is that of not allowing truckers to go directly from one point to their destination, but take a round-about route which sometimes adds thousands of miles to their trip, and therefore to their costs.

President Carter cited one example of these senseless regulations where an ICC license required one trucker to go from Denver to Albuquerque, N.M., by way of Salt Lake City, detour of 300 miles.

All this regulation not only is unnecessary, but downright foolish and expensive. All the costs added to the shipment of goods and materials in this country are added to the price of products which the consumer pays. This unnecessary cost adds an estimated \$5 billion a year to consumer prices.

In addition, among the regulations proposed by Mr. Carter is one that would outlaw large trucking firms from getting together and fixing prices, a practice that has been going on for many years.

In spite of the common sense embodied in the deregulation proposals, they were immediately attacked by the large carriers that have benefited from the regulations and by the Teamsters Union whose members drive for them.

The president of the American Trucking Associations is quoted as saying Mr. Carter's proposals were a "radical approach" and could lead to waste instead of efficiency. This is reminiscent of the anguished cries heard a few years ago when demands escalated to deregulate the airlines, which was done.

And Sen. Howard Cannon of Nevada, chairman of the Senate Commerce Committee, predicted it might take two years to get the Carter proposals to a vote.

We believe the Congress should make this a priority item and get to work on it immediately. It is nothing short of insanity to continue such harmful regulations which benefit the big firms and the Teamster drivers.

[From the Colorado Springs (Colo.) Gazette-
Telegraph, July 3, 1979]

FREE THE TRUCKERS!

As produce spoiled in the fields, as truckers became more violent in their protestations, as the truck strike began to be felt by the consumer, President Carter stepped forth with his deregulation plan.

It seemed to be a masterful job of timing.

That recent afternoon in the rose garden at the White House, the president told what he wanted Congress to do in the trucking industry: gradually end the federal regulations that protect the industry from competition and cost consumers an estimated \$5 billion a year.

Administration officials say the proposals will save consumers money, conserve fuel and help blacks and other minorities get into the trucking business.

The proposals would end legalized price-fixing among truckers, phase out by 1984 all federal restrictions on the commodities they may carry and the routes they must follow, and allow rate cuts of up to 20 percent a year without government interference.

They also would make it far easier for truckers to offer new services and greatly increase the kinds of agriculture products that may be hauled without federal rate regulation.

Truckline owners who have grown lazy depending upon regulations to protect them

from competition will put up a fight to kill the bill but a good portion of the nation's 100,000 independent owner-operators, some of whom are now involved in protests, generally would benefit from a greater operating flexibility they would have under the Carter plan.

The truckerline owners have said they are against deregulation because they believe many small towns and cities no longer would be served if the law did not require it.

They have been regulated so long they forget that free enterprise has worked, does work and will continue to work. If there is a need for a service, someone will step forth and offer it at a reasonable price. And somebody else will be there to see if it can be done a little better at a little better price.

The big truckers might not like the idea of having to fight to hold on to what they have but that's what makes for strong companies. It's when the government steps in with rules and regulations that industrial sins grow weak and limbs grow flabby.

For once, Carter is on the right track.

Free the truckers and let the free market work.

[From the Colorado Springs (Colo.) Sun, June 24, 1979]

TRUCKERS AND OWNERS FEAR THE EFFECTS OF DEREGULATION

Deregulation of the interstate trucking industry, which was proposed—perhaps promised is not too strong a term—by President Carter this week is long overdue, as anyone who has examined the effects of the myriad regulations involved will agree.

But it is not going to be accomplished easily. Its primary opponents are the very people who might be expected to rejoice in the prospect—almost everyone in the trucking industry, from drivers to the owners of the major truck lines.

Whenever the obsolete, never-sensible practice of featherbedding is discussed, the railroads usually come in for some of the criticism. They still have a few examples to cite. But the worst case of featherbedding in America today is probably in the truck industry—except that it does not prevent overwork, long hours of overtime, or any of the other abuses which were the basis of the original featherbed rules of long ago.

The regulations are, as President Carter said, a case of government regulation gone wild. They specify what cargo can be picked up, what can be deposited, what routes must be taken, and thousands of other details. If the routing were merely a matter of weight, considering the capacity of pavements and bridges, it would fall within the bounds of what most of us consider necessary regulation. But one truck line, for example, may have a shipment from Dallas to Memphis, and not be licensed for the direct route. It can, however, haul the goods from Dallas to St. Louis and then down to Memphis, quite legally. Multiply this by tens of thousands of similar rules and you begin to understand how much fuel waste is involved, in a time of fuel shortages.

A 1975 study, after the oil embargo crisis, reported that as much as 30 percent of the fuel used by interstate trucks is burned on trips that produce no revenue, because the trucks cannot haul return loads. That was apart from the inability, under the regulations, to schedule all shipments by the most direct routes.

At first glance, it would seem that all truckers would be eager to be rid of such regulations. But that padding which burns all that extra fuel also requires many extra drivers and helpers. It keeps a lot of extra trucks on the roads. The Teamsters, quick to cry "Foul!" at Carter's suggestion for decontrol, fear that many jobs would be lost if the industry were able to contract itself into the most efficient possible truck fleets. Related to this fear is the secondary worry that

if many unnecessary or uneconomical runs are eliminated, there will be a surplus of drivers, and that could lead to lower wages—although that is an unlikely scenario today.

Owners of truck lines worry that major parts of their expensive fleets might become surplus property, although many rigs are not paid for and carry substantial mortgages. The bankers who have financed the purchases of those fleets are also worried, and thus tend to favor continued regulation.

Add all these to the inertia of bureaucracy where regulations are concerned and it becomes apparent that Carter is not going to secure deregulation of the truck industry overnight.

[From the Denver (Colo.) Rocky Mountain News, Mar. 1, 1979]

OPEN ROAD FOR TRUCKERS

The Interstate Commerce Commission has taken another step toward encouraging greater competition in the trucking industry.

The ICC has already lowered some of the barriers that restrict competition among intercity truckers and tend to keep out new owner-operators. It now says that, beginning about the middle of March, when considering applications for operating rights it will give preference to truckers who pledge to provide cut-rate service.

The commission believes the new policy will stimulate innovative pricing and service options by trucking companies, and at the same time promote efficient and well-managed operations.

Predictably, the announcement brought groans from the industry. Some spokesmen called the ICC's action a kind of end run around Congress, which this session is expected to take up the issue of deregulation.

Viewing that prospect, trucking executives have been ringing many of the same alarm bells sounded by the airline executives when deregulation of their industry was first proposed a few years ago.

According to Bennett C. Whitlock, president of the American Trucking Associations, deregulation would "plunge the trucking industry into chaotic rate wars, drastically reducing the number of firms engaged in the business."

This would hurt many small towns, whose only link with the outside economy is truck transport, he says. Moreover, it would be impossible for the shipping public to know with any degree of certainty the transportation charges on the thousands of commodities which the 16,500 ICC carriers regularly transport throughout the country.

In short, regulation has served both the industry and the nation well. Don't mess with it.

Pardon us if we don't buy these arguments. "Chaos and confusion" presently reign among the airlines, but it is a kind we think the flying public rather likes. We know the airlines are enjoying it, for the advent of more open route and fare competition has resulted in the biggest boom in their history.

We agree, of course, that truckers and airlines can't be compared exactly, and certainly don't advocate that all the regulations be wiped out in one fell swoop.

But as for the general concept of deregulation, we say to the trucking industry: Try it. We think you'll like it, too. ●

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from South Dakota.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, and upon the recommendations of the

majority and minority leaders, pursuant to Public Law 86-42, appoints the following Senators to the Canada-United States Interparliamentary Group, to be held August 9-17, 1979, in Canada/Alaska: the Senator from Maryland (Mr. SARBANES), the Senator from Montana (Mr. BAUCUS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Rhode Island (Mr. CHAFFEE).

FOOD STAMP ACT AMENDMENTS OF 1979—CONFERENCE REPORT

Mr. MCGOVERN. Mr. President, I submit a report of the committee of conference on H.R. 4057 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the Bill (H.R. 4057) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the proceedings of the House of Representatives.)

Mr. MCGOVERN. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture, Nutrition, and Forestry be granted the privilege of the floor during consideration of the conference report on H.R. 4057: Henry Casso, Carl Rose, Bill Leshner, Steve Storch, George Dunlop, and John Bode.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCGOVERN. Mr. President, H.R. 4057, as reported by the committee of conference, addresses the two immediate emergencies that face the food stamp program. The emergencies are that changed economic conditions have rendered the existing ceiling on the authorization for appropriations for the 1979 food stamp program insufficient to provide full benefits to program participants for the remainder of the fiscal year, and the changes contained in the Food Stamp Act of 1977 regarding program eligibility and benefit levels, which have only recently been implemented, are causing severe hardships for elderly and disabled recipients who have high medical or shelter expenses.

I believe the conferees dealt in a fair and equitable manner with these two matters as well as the program integrity.

H.R. 4057 addresses both of these emergency situations. It would raise the 1979 appropriations ceiling on the food stamp program to a point where current food stamp benefits may continue through this fiscal year. Further, it includes provisions that should help deal with this type of situation in the future. Under the conference substitute, monthly reports on food stamp program expenditures will forewarn Congress of any future funding shortfalls.

The emergency situation now being faced by elderly and disabled recipients with high medical and shelter costs—forcing them to choose between food and absolutely necessary medical or shelter expenses—is ameliorated by providing that these expenses can be deducted when they consume excessive amounts of recipients' income.

PROGRAM INTEGRITY

In addition, H.R. 4057 makes a number of significant changes in the operation of the food stamp program.

The conference substitute contains three antifraud provisions that would—
Allow the Secretary and State agencies to require the presentation of social security numbers as a condition of program eligibility;

Make repayment of fraudulently obtained food stamps a prerequisite to reentry into the program for individuals who are found to have fraudulently obtained stamps; and

Allow States to retain 50 percent of the funds they recover from prosecutions or other State activities directed against individuals who fraudulently obtain their food stamps.

These three provisions will provide the impetus and the means to attack the perceived fraud in the food stamp program.

The conference substitute also removes the carryover authority contained in existing law.

The Lugar amendments on reporting requirements and the method of reducing allotments if appropriations are insufficient are included in the conference substitute. The report of the Senate Committee on Agriculture, Nutrition, and Forestry on S. 1309, a bill to increase the fiscal year 1979 authorization for appropriations for the food stamp program, contains a discussion of these provisions. In implementing these provisions, it is intended that the Department of Agriculture be guided by that language. I request unanimous consent that the pertinent language from the committee report be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Under the amendment, the Secretary is also required to submit reports, by the 15th day of each month, on food stamp program costs for the second preceding month. In each monthly report, the Secretary is to state whether there is any reason to believe that reductions in the value of allotments will be necessary due to any insufficiency of appropriated funds.

Not less than 60 days after the issuance of a monthly report in which the Secretary expresses his belief that reductions in allotments will be necessary due to the insufficiency of appropriated funds, the Secretary is required to take the requisite action to reduce allotments.

Within 7 days of taking any action to reduce allotments due to the insufficiency of appropriated funds, the Secretary would be required to submit a statement to the congressional agriculture committees setting forth the basis for his determination, the manner in which allotments will be reduced, and the action he has taken to reduce the allotments.

The Secretary would, of course, be expected to exercise reasonable judgment in arriving at a belief that benefit reductions would be necessary. In this regard, the Secretary may

consider a variety of factors, including seasonal fluctuations in program participation, economic forecasts, cumulative expenditures, and supplemental appropriations. Obviously, reductions in benefits should not necessarily commence after the first monthly report showing that more funds were expended in a particular month than an amount equal to $\frac{1}{12}$ of the funds previously appropriated for the program for that fiscal year.

The Lugar amendment—while authorizing the Secretary to develop a manner for reducing food stamp allotments on other than a pro rata basis and requiring monthly reports from the Secretary intended to keep Congress informed of program expenditures and the availability of appropriated funds—does not change the standard to be followed by the Secretary in making a finding that the requirements of participating States will exceed available appropriations. Section 18(b) of the act currently requires the Secretary to direct State agencies to make reductions in the value of allotments to be issued to households certified as eligible to participate in the food stamp program, if the Secretary finds that insufficient appropriations are available. In this connection, the committee notes that the Acting General Counsel of the Department of Agriculture, in his memorandum opinion of March 16, 1979, to Assistant Secretary Carol Tucker Foreman, stated that "the Secretary would be expected to make such finding at such time as he has information reasonably leading him to the conclusion that it is necessary to act in order to avoid exceeding the statutory limitation."

GROUP LIVING ARRANGEMENTS FOR THE DISABLED AND BLIND

Mr. McGOVERN. Mr. President, the conference substitute contains the amendment offered by Senators STAFFORD and DOLE, which makes blind and disabled residents of small State-certified living arrangements eligible for participation in the food stamp program under conditions equivalent to those applicable to narcotics addicts or alcoholics participating in treatment programs. Under the provisions of the amendment, the Department would treat disabled recipients of social security disability payments or supplemental security income benefits who are residents in small State-approved public or private nonprofit group living arrangements as independent households if they, for example, purchase or prepare their own food.

CONCLUSION

The House conferees were unable to accept the provision in the Senate amendment that would have removed the ceilings on the authorization for appropriations for the 1980 and 1981 fiscal years. While I am disappointed that these provisions are not included in the conference substitute, I am confident that this issue will be satisfactorily resolved and Congress will provide the necessary funds to run the food stamp program.

Mr. President, of the four amendments that were offered in the substitute bill on the Senate floor by the Senator from North Carolina (Mr. HELMS), we retained three and yielded on the fourth one, which has to do with the State verification procedures.

By and large, I believe the Senate conferees represented the wishes of the Senate very well. We did yield on perhaps a very fundamental point: The lifting of the ceiling on the fiscal 1980 and 1981 programs. But that was necessary in view

of the very firm commitments that had been made by the House conferees to their colleagues.

I thank the other Senate conferees on H.R. 4057 for their excellent efforts. Senator STONE authored and guided through the Senate and conference the provisions on the excess medical and shelter expense deductions for the elderly and disabled. Senator HELMS, the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry, made valuable contributions to the conference deliberations. Chairman TALMADGE, and Senators LEAHY, MELCHER, LUGAR, and HAYAKAWA aided in assuring the acceptance of the overwhelming portion of the Senate provisions by the conference committee.

I would be remiss if I did not congratulate Chairman FOLEY of the House Committee on Agriculture, who chaired this conference, for his management of the conference. His efforts and the cooperation of the House conferees allowed us to consider systematically and thoroughly the complex issues before the conference.

I urge my colleagues to join me in supporting the conference report on H.R. 4057.

I request unanimous consent to have printed at this point in the RECORD a section-by-section analysis of H.R. 4057, as agreed to by the committee of conference.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF H.R. 4057, AS REPORTED BY THE COMMITTEE OF CONFERENCE

Section 1(1).—Increase in the fiscal year 1979 authorization for appropriations for the food stamp program.

Section 1(1) amends the first sentence of section 18(a) of the Food Stamp Act of 1977 to increase the fiscal year 1979 authorization for appropriations by \$620 million. The new appropriations ceiling for the 1977 program would be \$6,778,900,000.

Section 1(2).—Removal of carryover authority; Secretary's reporting responsibilities.

Section 1(2) strikes the third sentence of section 18(a) of the Food Stamp Act of 1977 to remove the specific language, beginning with fiscal year 1980, providing for the carryover of unexpended appropriated funds from one fiscal year to the next, and inserts two new sentences. The Secretary of Agriculture would be required to file monthly reports, by the 15th day of each month, setting forth the Secretary's best estimate of the second preceding month's expenditure, including administrative costs, as well as the cumulative totals for the current fiscal year. In each monthly report, the Secretary would also state whether there is reason to believe that reductions in the value of allotments issued to households certified to participate in the program will be necessary due to any insufficiency of appropriated funds. (It is anticipated by the committee that each monthly report will include the number of individuals participating in the program and the cost of administering the program at the State level and at the national level.)

Sections 1(3) and 1(4).—Manner in which allotments may be reduced when appropriated program funds are insufficient.

Section 1(3) amends the second sentence of section 18(b) of the Food Stamp Act of 1977 to remove the requirement that the

only available method for reducing program benefits when insufficient funds are available is on a pro rata basis.

Section 1(4) would add new subsections (c), and (d) to section 18 of the Food Stamp Act of 1977. New subsection (c) would require the Secretary to ensure that reductions in the value of allotments, when required under section 18(b), will reflect, "to the maximum extent practicable," the ratio of household program income to the income standards of eligibility for households of the same size with higher-income households bearing more of the reductions. The Secretary may establish (1) special provisions for the elderly, handicapped, and disabled and (2) minimum allotments after any reductions are otherwise determined.

New subsection (d) requires the Secretary to take the requisite action to reduce the value of allotments issued to households certified to participate in the food stamp program within 60 days after the issuance of a report, under section 18(a) as amended by the bill, in which the Secretary expresses his belief that such reductions will be necessary.

New subsection (d) also requires the Secretary, within 7 days of any action to reduce the value of allotments issued to households certified to participate in the program, to furnish the congressional agriculture committees with a statement setting forth (1) the basis of the Secretary's determination, (2) the manner in which the value of the allotments will be reduced, and (3) the action that has been taken by the Secretary to reduce the allotments.

Section 2. Deductions for households containing an elderly person or a person receiving Supplemental Security Income benefits or social security disability payments.

Section 2 amends section 5(e) of the Food Stamp Act of 1977 to provide households that contain an elderly person (60 years of age or older) or a person receiving Supplemental Security Income benefits, including those who receive only State supplementary payments, under title XVI of the Social Security Act or social security disability payments under title II of the Social Security Act with an excess medical expense deduction and to remove the ceiling on the excess shelter expense deduction for those households.

In addition to the standard deduction and the dependent care deductions, these households would be entitled to (1) an excess medical expense deduction for the actual cost of allowable medical expenses incurred by the elderly or disabled recipient household member that exceed \$35 per month and (2) an excess shelter expense deduction to the extent that the monthly amount expended by the household for shelter exceeds 50 percent of monthly household income after all other applicable deductions have been allowable. Currently, there is a ceiling of \$90 per month on the amount of the excess shelter expenses deduction that may be claimed.

Section 3. Definition of "allowable medical expenses."

Section 3 adds a new subsection (q) to section 3 of the Food Stamp Act of 1977 to define "allowable medical expenses" as used to determine the excess medical expense deduction.

New subsection (q) defines "allowable medical expenses" as expenditures for (1) medical and dental care (this would include other remedial care recognized by State law), (2) hospitalization or nursing care (including hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home), (3) prescription drugs when prescribed by a licensed practitioner authorized under State law and over-the-counter medication (including insulin) when approved by a licensed practitioner or other

qualified health professional, (4) health and hospitalization insurance policies (excluding costs of health and accident or income maintenance policies), (5) medicare coverage, (6) dentures, hearings aids, and prosthetics (including securing and maintaining a seeing eye dog), (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) maintaining an attendant, homemaker, home health aid, housekeeper, or child care services due to age, infirmity, or illness.

Section 4. Provision of information.

Section 4 adds a new subsection (f) to section 16 of the Food Stamp Act of 1977.

New section 16(f) authorizes the Secretary and State agencies to (A) require submission of social security numbers as a condition of food stamp program eligibility and (B) have access to the data from other Federal programs regarding individual food stamp program applicants and participants who receive supplemental security income benefits that have been provided to the Secretary of Health, Education, and Welfare (but only to the extent that the Secretary and the Secretary of Health, Education, and Welfare determine necessary for purposes of determining or auditing a household's eligibility to receive assistance or the amount thereof under the food stamp program, or verifying related information).

Section 4 would permit an individual to be barred from receiving food stamps if that individual has been assigned a social security number but refuses to provide it to the State agency. Individuals not previously assigned a social security number could also be prevented from participating in the program unless the individuals apply for and subsequently furnish social security numbers. They would be eligible to participate while waiting for the numbers to be assigned.

The income and resources of the individual disqualified for failure to provide a social security number would be counted in the same way an individual's income and resources are counted when a person is disqualified for fraud or for failure to meet the student work registration requirement during the school year. New section 16(f) will facilitate the use of computer matching techniques that compare the earnings reported by food stamp households against available wage records and thus allow States to identify more readily those households that have unreported earnings or have reported their earnings incorrectly.

In addition, States will be able to match social security numbers to prevent duplicate participation. An individual entitled to emergency service under section 11(e) (9) of the Act would be permitted to furnish a social security number after receiving his first allotment. In this way, an individual who cannot furnish his social security number, or the numbers of all members of his household, before the timeliness standard elapses for providing expedited service will not have benefits delayed simply because a social security number cannot be immediately furnished.

Section 5. Repayment for fraudulent conduct.

Section 5 amends section 6(b) of the Food Stamp Act of 1977 to require that individuals disqualified because of fraud who wish to reenter the program after the period of disqualification must agree to repay the value of the food stamp fraudulently obtained, through either a cash payment or a reduction in the household's allotment, under a reasonable schedule prescribed by the Secretary. If a disqualified individual agrees to repayment in cash and fails to make the payments, that household's allotment will be subject to appropriate reductions. The income and resources of the individual disqualified for failure to repay the fraud claim

would be counted in the same way an individual's income and resources are currently counted when that person is disqualified for fraud or for failure to meet the student work registration requirement during the school year.

In order to collect fraud claims, States must currently rely on voluntary repayment by the household or incur the expense of initiating a civil court action to obtain repayment. Section 5 provides a simple and efficient mechanism for collecting fraud claims and provides a penalty if repayment is not made. As a result, it is anticipated that the percentage of fraud claims collected will substantially increase without increasing the administrative costs of collecting these claims. These collection procedures should also discourage persons from committing fraud.

Section 6. State share of recoveries.

States are currently required to return to the Federal Government all funds collected from households that have repaid the value of any food stamps overissued to them. Section 6 would amend section 16(a) of the Act to allow each State to retain 50 percent of the funds it recovers or collects from persons that have committed fraud as determined in accordance with the Act. This provision will provide an incentive for States to pursue collection of fraud claims, particularly in those cases where recoupment or disqualification is ineffective because the household is ineligible.

The amendment provides that persons involved in making fraud determinations are not to benefit from the amount of such recoupments or collections. This prohibition on the use of revenues collected in this manner will assure the impartiality of officials making fraud adjudications.

Sections 7 and 8. Group living arrangements for the disabled or blind.

Sections 7 (1), (2), and (3) amend section 3(g) of the Food Stamp Act of 1977 to include within the definition of "food" meals prepared and served to blind or disabled persons in public or private nonprofit group living arrangements that are certified under regulations issued under section 1616 (e) of the Social Security Act.

Section 7(4) amends section 3(i) of the Food Stamp Act of 1977 to include, and thereby make eligible for food stamp program participation, within the definition of "household" disabled or blind recipients of benefits under title II or title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangement (which serves no more than sixteen residents) that is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act.

Section 7(5) further amends section 3(i) to provide that residents of federally subsidized housing for the elderly, disabled or blind residents in public or private nonprofit groups living arrangements that are certified under regulations issued under section 1616(e) of the Social Security Act, and narcotics addicts or alcoholics who live under the supervision of a private nonprofit institution for the purpose of regular participation in a drug or alcoholic treatment program, will be considered individual households. This amendment is in accord with current program practices for the elderly and narcotics addicts and alcoholics in treatment programs.

Section 7(6) amends section 3(k) of the Food Stamp Act of 1977 to include public or private nonprofit group living arrangements that serve meals to disabled or blind residents within the definition of "retail food store".

Section 8 amends section 10 of the Food Stamp Act of 1977 to provide that public or private nonprofit group living arrangements that serve meals to disabled or blind resi-

dents may not redeem those residents' food stamps through banks. This is the same prohibition that is currently applicable to drug addiction or alcoholic treatment and rehabilitation programs.

Section 9. Denial of benefits to certain households.

Section 9 adds a new subsection (i) to section 6 of the Food Stamp Act of 1977.

New subsection (i) provides that no household that contains a person involved in a labor management dispute shall be eligible to participate in the food stamp program unless the household meets the income guidelines, asset requirements, and work registration requirements of the Food Stamp Act of 1977.

Section 10. Implementation.

Section 10(a) provides that the provisions of sections 2 and 3 of the bill (the provisions for the excess medical expense deduction and removal of the ceiling on the excess shelter expense deduction for households containing an elderly or disabled member) will be implemented in all States by January 1, 1980, and will not affect the rights or liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1977 in effect on July 1, 1979, until implemented.

Section 10(b) requires the Secretary of Agriculture—within 150 days after the date of enactment of this bill—to issue final regulations implementing sections 4 through 6 of the bill, the provisions of the bill on provision of information, repayment for fraud, and State share of recoveries.

Section 10(c) provides that the provisions of 7 and 8 of the bill, the provisions dealing with group living arrangements for the disabled and blind, will be implemented in all States by July 1, 1980, and will not affect the rights or liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1977 in effect on July 1, 1979, until implemented.

Mr. McGOVERN. Mr. President, I yield to the Senator from North Carolina (Mr. HELMS).

Mr. HELMS. Mr. President, I say to the Senator from South Dakota that it has been a pleasure to work with him on this measure. We have had some differing opinions; but, as always, we have agreed to disagree agreeably. I congratulate him for the fine work he has done.

I join him in paying tribute to other Senators on the committee and to the conferees of the House and the Senate, because a great deal of work was involved.

Mr. President, I am pleased with some improvements in this bill as reported by the conference committee. The Senate's three antifraud amendments with the amendment requiring early implementation of those provisions, will save millions of tax dollars and help establish credibility with the food stamp program by reducing fraudulent participation.

Also, the bill still contains some worthwhile program improvements that were adopted in the Senate. Senator LUGAR's amendment to the bill protects the truly needy in the event of benefit reductions. Also, it makes clear Congress intention of tolerating no more contortions on the part of the Food and Nutrition Service in order to delay benefit reductions until the point of crisis is reached, as Assistant Secretary Foreman and FNS did earlier this year. Senator TALMADGE's amendment changed the program so that unused budget au-

thority will revert at the end of each fiscal year, thus lending greater significance and practical support to the concept of the spending ceiling.

Though some reservations are in order because the food stamp program is perhaps not the proper vehicle for such a provision, relief for the high medical costs of our Nation's elderly is provided in this bill in the form of the Stone amendment.

Finally, the House conferees also accepted the Stafford-Dole amendment, which permits the blind and disabled residents of small State-certified group living arrangements the same benefits in the program as are afforded narcotics addicts or alcoholics participating in treatment programs.

It is interesting that the House conferees also recognized the value of the Senate's eligibility verification amendment. But to the frustration of the House conferees the proxies of absent Senate majority conferees rejected the proposed compromise by receding to the House position. This meant no provision of this type at all.

I cannot understand how Members of this body can oppose verification of eligibility in the food stamp program when those verification procedures are subject to the approval of the Secretary of Agriculture. Clearly, dedication to the prevention of overissuances in this program is lacking on the part of those Members.

I am also pleased that the House conferees could not accept the Senate's hastily conceived and, I feel, unwise decision to eliminate authorization limits on the program for fiscal years 1980 and 1981. So, Senate conferees receded to the House position on this matter and, thereby, preserved that important congressional budgetary control.

Finally, Senator McGOVERN's substitute for Senator THURMOND's so-called striker amendment was adopted as a clear restatement of present program operations. As a condition to accepting that amendment, Senator THURMOND was assured that Senator McGOVERN and I would exhort the Secretary to provide information detailing program participation and cost impacts that result from the eligibility of households with Members who have voluntarily stopped working because of a labor-management dispute. I ask unanimous consent that the letter sent by Senator McGOVERN and me requesting such reporting be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, a point remains that should not go unmentioned. This bill authorizes the expenditure of funds that would not have been needed had it not been for the inept administration of the program. Assistant Secretary Foreman and FNS officials have consistently disregarded fiscal responsibility in administering this program. Their decision to ignore congressional intent by eliminating the purchase requirements months before implementing participation-restricting provisions of

the 1977 act—that is, not implementing those features simultaneously—cost in excess of \$275 million, according to the Congressional Budget Office. This sort of mismanagement continues and is reflected in the program's regulations.

Mr. President, because of this serious problem, I pledge to my colleagues and constituents my continued activity in this legislative area. This program is in need of the closest legislative oversight. I intend to do my part to insure that the Senate has ample opportunity to exercise its responsibilities in the future.

I regret that I cannot support this bill.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, D.C. July 26, 1979.

HON. BOB BERGLAND,
Secretary, U.S. Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: During its consideration of the bill to increase the fiscal year 1979 authorization for appropriations for the food stamp program, the Senate debated several issues. Of interest and concern was the fact that persons may be participating in the food stamp program or receiving larger benefits as a result of participating in a labor-management dispute.

Among those Senators active in floor debate, there seemed to be a consensus that the mere fact that a household member is involved in a labor-management dispute should not render that household ineligible for food stamps. However, many of those Senators raised questions about the number of households that participate, and how many households receive increased food stamp benefits because a household member is participating in such a dispute (lockouts excluded), as well as the resulting costs.

In order that Congress may be better informed on this issue, we would appreciate your providing the Committee by November 1, 1979, and semi-annually thereafter, your best estimate of actual program participation and costs attributable to household members participating in a labor-management dispute for the previous one-half fiscal year.

With every good wish, we are

Sincerely,

GEORGE S. McGOVERN,
JESSE HELMS.

● Mr. TALMADGE. I support H.R. 4057 as reported by the committee of conference.

I am pleased that three of the four antifraud provisions that were offered by Senator HELMS and included in the substitute that passed the Senate are also contained in the conference substitute.

The food stamp program works. It allows the truly needy to obtain food purchasing assistance. However, it has gotten out of hand in many instances. The adoption and implementation of the antifraud provisions contained in the conference substitute will, hopefully, go a long way toward rooting out persons who wrongfully receive program benefits.

These provisions, when coupled with the Lugar amendment and the repeal of the authority for the carryover of appropriated funds, strengthen the program and give Congress a better handle on evaluating program performance. I would hope that the Department of Agriculture moves quickly to get these provisions implemented. The congressional Agricul-

ture Committees and Congress as a whole want the integrity of the food stamp program restored. Only through effective administration at the Federal, State, and county levels can this goal be achieved. If the actual, as well as the perceived, abuse of the program is to be removed, vigorous administration will be necessary.

Only two provisions of the Senate amendment are not included in the conference substitute. Those are the provisions first, removing the ceilings on the authorization for appropriations for fiscal years 1980 and 1981 and second, allowing the States to adopt supplemental eligibility verification procedures. I support both of these provisions. While I favor full funding for the food stamp program, I also want program benefits to go only to the truly needy. When these objectives are joined together, lower total program funding will be necessary.

The increase in the authorization for appropriations for the 1979 program and the provisions on the excess shelter and medical expense deductions are necessary to address immediate concerns. The provisions on the "cap" and allowable deductions contained in the Food Stamp Act of 1977 were based on estimates and assumptions on the economic circumstances in the Nation during the period of 1977 through 1981. These estimates and assumptions were wrong. We cannot close our eyes to the needs of others or to changing circumstances. The conference substitute addresses these issues in a responsible manner.

Chairman FOLEY of the House Committee on Agriculture presided over the conference in his usual efficient and professional manner. Senator McGOVERN is to be congratulated for his fine work on this legislation. Senator HELMS was most cooperative during all deliberations and his suggestions have greatly improved this bill. Senators STONE, LEAHY, MELCHER, LUGAR, and HAYAKAWA ably represented the Senate in the conference.

I urge my colleagues to join me in supporting the conference report on H.R. 4057.

Mr. McGOVERN. Mr. President, I urge my colleagues to join me in supporting the conference report, and I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NOTIFICATION FROM EXPORT-IMPORT BANK REGARDING EXPORT OF AIRCRAFT

Mr. PROXMIER. Mr. President, I call to the attention of my colleagues a communication which I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of a proposed direct credit

of \$126,405,000 to assist the export from the United States of two 747-200B jet aircraft and related spare parts and engines to China Air Lines (CAL), the government-held commercial air carrier of Taiwan. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in the amount of \$100,000,000 or more, at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank proposes to extend a direct loan to cover 90 percent of the 747 transaction and the loan will be unconditionally guaranteed by the Coordination Council for North American Affairs, acting on behalf of the governing authorities of Taiwan. The sale has a total estimated U.S. export value of \$140,450,000. Moreover, in addition to the two above-mentioned aircraft, CAL is also purchasing two Boeing wide-bodied jet aircraft without Eximbank financing. The Eximbank credit will bear interest at the rate of 8½ percent per annum and be repayable in 20 semiannual installments beginning December 15, 1981.

Mr. President, I ask unanimous consent that the letter from Eximbank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK OF THE UNITED STATES, Washington, D.C.

HON. WILLIAM PROXMIER, Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

JOHN L. MOORE, JR.

EXPORT-IMPORT BANK OF THE UNITED STATES, Washington, D.C., July 13, 1979.

HON. WALTER F. MONDALE, President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Taiwan:

A. Description of Transaction.

1. Purpose: Eximbank is prepared to make a credit of \$126,405,000 available to China Airlines Limited (CAL) to facilitate the purchase in the United States by CAL of two new Boeing 747-200B jet aircraft, related spare engines and parts. The engines for the aircraft are manufactured by Pratt and Whitney, a subsidiary of United Technologies Corporation. The total U.S. export value for this transaction is estimated to be \$140,450,000.

2. Identity of the Parties.

(a) Borrower:

CAL is the commercial air carrier of Tai-

wan and its shares are held by its directors and senior officers on behalf of the government. Eximbank has previously made eleven loans to CAL and repayments have been made on a timely basis. CAL currently flies to 16 cities in 10 countries, mainly in the western Pacific but also in the Middle East, and to Honolulu, Los Angeles and San Francisco in the United States. The Eximbank credit will be made through a U.S. commercial bank or, as permitted under the Taiwan Relations Act and Executive Order No. 12143 through the American Institute on Taiwan to the Coordination Council for North American Affairs on behalf of CAL.

(b) Guarantor:

The Coordination Council for North American Affairs, acting on behalf of the governing authorities on Taiwan, will unconditionally guarantee payment of CAL's indebtedness under the direct credit.

3. Nature and Use of Goods and Services.

The principal goods to be exported from the United States are two commercial jet aircraft to be used by CAL on its western Pacific and Middle East routes. The airframes for the 747's will be manufactured in the Seattle-Renton-Everett area by The Boeing Company of Seattle, Washington. The engines for the aircraft will be manufactured by the Pratt and Whitney Aircraft Group of United Technologies Corporation in Hartford, Connecticut. In addition, other U.S. firms will furnish spare parts.

B. Explanation of Eximbank Financing.

1. Reasons:

The Eximbank credit of \$126,405,000 will facilitate the export of \$140,450,000 of United States goods. Sales, profits and employment for U.S. aircraft manufacturers and their subcontractors are heavily dependent upon exports. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40% of total U.S. aircraft sales. Eximbank's financial support for exports of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80% of the world market for commercial jet aircraft.

Boeing estimates that the export of the two financed aircraft will provide 2.9 million man/hours of work for Boeing and its subcontractors. Additional benefits which will flow to the United States from the transaction include sizeable follow-on exports of spare parts, ground support and other related equipment.

It should be pointed out that due to the nature of CAL's routes, where many of its long distance flights are broken by intermediate stops, CAL seriously considered the purchase of the Airbus Industrie's A-300. CAL was offered more generous financing terms for the competing aircraft than those offered by Eximbank for the U.S. aircraft. CAL currently operates a nearly all U.S. manufactured fleet of aircraft, with past Eximbank support having financed many of these aircraft.

Moreover, in addition to the two aircraft to be financed by the Eximbank credit, CAL is also purchasing two Boeing wide-body jet aircraft, a 747 freighter and a new Boeing 747SP, which together with related spares have an estimated U.S. cost of \$128,000,000, without Eximbank's financial support. CAL intends to use these two aircraft on long distance routes on which the A-300 could not be used, and therefore Eximbank offered only its guarantee and not a direct credit to finance these two aircraft. CAL decided to finance this purchase without the Eximbank guarantee. Boeing estimates that the export of these two aircraft will provide 2.9 million man/hours of work for Boeing and its subcontractors.

Furthermore, Eximbank has issued a preliminary commitment in connection with the potential sale to SAL of two Boeing 767-200 jet aircraft and related spare parts.

2. The Financing Plan.

The financing plan for the total U.S. pro-

curement supported by Eximbank is as follows:

Percentage of U.S. Costs	Totals
Cash Payment 10.0 percent.....	\$14,045,000
Eximbank Credit 90.0 percent.....	126,405,000
Total	\$140,450,000

(a) Eximbank Charges.

The Eximbank credit will bear interest at the rate of 8¼ per annum, payable semi-annually. A commitment fee of ½ of 1 percent per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms.

The Eximbank credit will be repaid by CAL in 20 equal semiannual installments beginning December 15, 1981.

Sincerely,

JOHN L. MOORE, Jr.

EVENTS IN AFGHANISTAN SHOW NEED FOR U.S. HUMAN RIGHTS COMMITMENT

Mr. PROXMIRE. Mr. President, reports have recently come to the attention of U.S. officials concerning gross violations of human rights in Afghanistan. The July 22 edition of the Washington Post carried an account of the harsh conditions under the present regime. According to the Post, over 300 religious business leaders were taken to a prison in Kabul last October following uprisings in one of the provinces. They were subsequently blindfolded, robbed, beaten, and executed by firing squads.

The United States has begun to take significant action against the Government of Afghanistan, particularly after the assassination of Ambassador Adolph Dubs this past February. Among other things, we have halted new aid to the country and recently have voted against granting it loans from various international agencies.

Of course, Mr. President, the United States has the moral duty to take such actions. Not only because of the tragic loss of Adolph Dubs but also because of the gross abuses of human rights in Afghanistan, we are right in showing that we will not tolerate such actions.

Yet, if we are to take such steps in the name of basic human rights, then I have a request of my colleagues: Let us act from a position of maximum credibility in this area. If we are to comment on the atrocities in other nations, we must first demonstrate our own commitment to the most basic of all rights—the right to live. We can show our commitment by ratifying the Genocide Convention.

Mr. President, I do not intend to equate the events in Afghanistan with genocide. As deplorable as they are, they do not fit the accepted definition of the crime.

Rather, I cite them because they remind us of the need for an even greater commitment to human rights by our Nation. Let us begin this commitment by ratifying the Genocide Convention.

I ask that the text of the Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HUMAN RIGHTS IN AFGHANISTAN Stir State Department Concern

(By Don Oberdorfer)

More than 3,000 political prisoners have been executed and many thousands more locked up in overcrowded prisons by the shaky revolutionary regime in Afghanistan, according to reports reaching U.S. officials.

The reports depict regular executions, estimated at 20 to 50 a night, at Pol-I-Charki prison outside Kabul, capital of the remote, mountainous country. Victims of the imprisonment and executions, according to the reports, are military personnel, religious leaders, major figures in previous governments, large land owners and a variety of others considered hostile to the rulers.

"We are deeply concerned about the situation," said Assistant Secretary of State Patt Derlan, who heads the State Department's human rights activities. "The human rights situation in Afghanistan is not widely known, but we are receiving continuing reports of mass arrests and executions."

A leftist government headed by Nur Mohammed Taraki, a former press attache in the embassy in Washington, took power in a coup in April 1978. The new regime quarreled with traditional leaders and with many tribal groups, conducted internal purges against factions of the small revolutionary party, and turned increasingly for support to the Soviet Union.

American officials estimate that the ruling regime now controls less than half the country and much of that only in daylight hours. A variety of insurgent groups, including tribal units based in neighboring Pakistan, are reported taking a heavy toll of embattled government forces.

American officials believe the Taraki government is under subtle or overt pressure from the Soviets to broaden the regime rather than risk collapse in the deepening insurgency. With the past several weeks Soviet news media have begun speaking of an Afghan "united front," though none is visible to other observers.

Soviet pilots have been reported flying helicopters and transport aircraft, but there is no indication that the Taraki regime has turned to the Russians for combat or occupation troops. Such an action would be a desperation move with uncertain consequences among the independent-minded Afghans, according to American observers.

Many prominent Afghans reportedly were executed shortly after last year's coup. Roundups of opponents and executions are reported to have continued as the regime faced growing conflict with broad segments of Afghan society. According to the reports reaching American officials:

Some 390 religious and business leaders from Kandahar Province were taken to Pol-I-Charki prison last October after uprisings in that area. They were blindfolded, their watches and money removed, then beaten and executed by firing squads 10 at a time. Their bodies were thrown into a common grave and bulldozed.

Two busloads of condemned military officers overpowered their guards on the way to the execution site two months ago. More than 80 persons were killed in the ensuing battle, which spread into the prison and was suppressed by government troops. Some of the prisoners escaped.

Pol-I-Charki prison, originally built for no more than 6,000 persons, is overflowing with about 15,000. Prisoners sleep on a rotation system.

Among the few positive signs are recent reports that around 70 members of the Parcham party, one of two original factions of the ruling regime, have been released from

prison. A number of Parchamite leaders, who were initially posted as ambassadors after the revolution, have taken refuge in East European countries.

The United States has cut off all new aid to Afghanistan, withdrawn the Peace Corps and reduced official personnel, especially after the killing of U.S. Ambassador Adolph Dubs in Kabul last Feb. 14. The United States recently voted against several loans for Afghanistan in international financial agencies and made high-level presentations in Kabul about human rights abuses.

UNITED NATIONS EMERGENCY FORCE

Mr. HATCH. Mr. President, the mandate of the Security Council of the United Nations Emergency Force, better known by its abbreviated name, UNEF, that was set up in 1973 to supervise the two Sinai disengagement agreements negotiated by then Secretary of State, Dr. Henry Kissinger, expired on July 24, 1979. The Carter administration's hope that the Security Council of the United Nations would renew this mandate was dissipated by the Soviets firm refusal to go along with the American proposal. The latest rejection came in Vienna where Carter failed to convince Soviet President Brezhnev of the positive effect that such an eventual Soviet approval would have on the SALT debate in the United States. The Soviet Union maintained her well-known position which condemns the separate peace treaty negotiated with American help between Egypt and Israel. Because of this Soviet approach, the United States did not introduce any proposal to the Security Council concerning the renewal of the mandate of UNEF.

On the other hand, President Carter deeply committed himself to the idea of an armed force supervising all of the steps taken in accordance with the treaty in a letter to Israeli Prime Minister Menachem Begin on March 26, 1979. In this letter which accompanied the treaty, President Carter confirmed the strong desire of the United States for provision of such armed forces to insure the implementation of the peace treaty. The letter also included a promise that, if the Security Council would reject an American proposal to renew the mandate of the UNEF, the United States would take steps to set up a multinational military force.

In light of these facts, the Israeli Government requested the establishment of a multinational military force. This request was rejected by the White House and the State Department as contrary to the intention of the United States. American officials claim that the letter written by President Carter provided for such a measure only after the expiration of 3 years from the signing of the peace treaty. The Israelis deny any such interpretation and emphasize the need for a military force that is capable of stopping terrorist intrusion along the borders.

Most recently, the Carter administration came up with a proposal that is clothed in the guise of a private diplo-

matic agreement reached with the Soviet Union. The gist of this agreement would include a provision to turn over initial supervision of the Egyptian/Israeli peace treaty to a few hundred United Nations truce observers. Israel immediately asked the United States to abandon any such agreement.

The Carter administration refused, and, according to the Washington Post, said it would push ahead with its efforts to implement the Russian-approved observers plan which both superpowers apparently hope will improve the chances of Senate approval of the Strategic Arms Limitation Treaty.

The facts described above indicate that the Carter administration has not yet learned its lesson from events like the Communist takeover in Afghanistan, the collapse of the Shah of Iran, and the most recent political changes in Nicaragua. By pushing both Egypt and Israel too hard, President Carter appears to be more concerned about his personal political success than the well-being and the vital interests of this country.

As a result, the United States faces a situation that can easily destroy the achievements of the peace treaty. First, the Carter administration, unnecessarily and against the will of the parties involved, linked the success of the implementation of the peace treaty with the entirely detrimental political intentions of the Soviet Union. Thus, the United States unnecessarily and unwisely brought into this process the Soviet Union, a superpower openly hostile to both Egypt and Israel. This was done contrary to the expressed desire of Egyptian President Sadat and Israeli Prime Minister Menachem Begin. A direct Soviet involvement at this stage would be also contrary to the best interests of the United States.

Second, in the private diplomatic agreement proposed, truce observers would be responsible to the Secretary General of the United Nations and not to the Security Council. This, in turn, would create a volatile political situation in which the Secretary General would become extremely vulnerable to direct Soviet and, through it, to indirect Arab pressure.

Third, the Carter administration again managed to push the United States into a very precarious situation in which it can easily again appear as a country that does not live up to its commitments. These are grave concerns that obviously cannot only hurt the United States, Egypt, and Israel but also the cause of peace in the Middle East.

For these reasons, I believe that it is time for a more sober analysis of the entire situation in this part of the world. Such an analysis must start with closer cooperation among the countries immediately involved and not by exporting problems which arise out of the implementation of this treaty. The involvement of the Soviet Union, which does not even recognize the State of Israel, can only have a detrimental effect on any peaceful effort in the Middle East.

MORMON PIONEERS 132D ANNIVERSARY

Mr. HATCH. Mr. President, this week is a special week for the people of Utah, being the 132d anniversary of the entrance of the Mormon Pioneers into the Great Salt Lake valley on July 24, 1847. This event is commemorated annually by Utahans as well as the 4 million members of the Mormon Church worldwide. I join my fellow Utahans and other Americans in extending tribute and reverence to those hardy pioneers who took a desert no one wanted and transformed it into the beautiful place it now is.

The Mormon religion has deep roots in American history, having had its origin on American soil. It was organized with six members in 1830 by Joseph Smith in western New York, which at that time was on the edge of the American frontier. The new church grew rapidly, buoyed by the successes of hardy church missionaries who carried the message of the church across America and to many foreign nations. In spite of misunderstanding and religious persecution that developed because of the beliefs of this new religion, the Mormons united behind their leaders and moved west, settling at different times in the bountiful State of Ohio, Missouri, and Illinois. Although eventually forced to abandon these settlements, the industrious Mormons made lasting contributions toward frontier America in their search for religious freedom.

These tenacious souls followed the traditions of earlier "pioneering" ancestors who had migrated from the Old World to the New World in order to practice their religious convictions in peace.

Eventually settling in Illinois, the Mormons took a swamp on the banks of the Mississippi River no one else wanted and transformed it into a beautiful and progressive city named Nauvoo, then the largest city in the State. However, their peaceful stay in Nauvoo did not last for long. Following the murder of their leader, Joseph Smith, the Mormons chose to leave their comfortable homes and newly-built temple behind rather than compromise their cherished convictions. Forced by mob pressure to abandon their beloved city in the middle of February, the residents of Nauvoo crossed the Mississippi and sought refuge in Indian territory on the other side before beginning their arduous trek to the Rocky Mountains.

Brigham Young, perhaps the greatest organizer in U.S. history, led the group of Mormon pioneers westward. Folk songs from these pioneers tell of the trials and tribulations and of sickness and death that accompanied that excursion as they trod the hot, dusty trails with only scanty preparations. The dead were buried in shallow, often unmarked graves along the way as the survivors were forced to leave the bodies of their loved ones behind.

But it was the character of these American pioneers to make the best of any situation. Despite near starvation the first winter and a grasshopper plague

that nearly destroyed the crops of the second summer, the Mormons once again transformed a land, this time a land considered as uninhabitable, arid wasteland, referred to on maps of the day as the great American desert, into a thriving State. In time, the first 143 Mormons who arrived in the Salt Lake valley on July 24, 1847, were joined by thousands from every corner of the world. Some could not afford wagons and had to push their belongings in wheel-like handcarts. Although one handcart company alone lost one-third of its members when they were caught in the snows of an early winter, the dangers of crossing the Great Plains did not deter them. The flow continued until Mormons settled every corner of the West and played an enormously important role in the early histories of Arizona, New Mexico, Colorado, Wyoming, California, Idaho, and Nevada.

Life was not easy for these early pioneers. Snakes, sagebrush, and Indian skirmishes were only some of the problems they faced. Yet they confronted these obstacles with a cheerfulness and optimism that remains a shining example for us today. At every crisis, their unity as families and as a people helped them to triumph over every difficulty. Even today the Mormon people continue this tradition of family unity by emphasizing the importance of strong families as the foundation of a great nation.

The example of the early Utah pioneers is an inspiration for us to follow in conquering the problems we face as a nation. These courageous people never lost faith in their religious beliefs or in the constitutional privileges that they sacrificed to preserve. By following their example, this great Nation will also be able to overcome any adversities that confront us. I join others throughout the land at this time in commemorating this holiday and acknowledging the great contributions of the Mormon pioneers to our American heritage.

LOW LEVEL RADIATION HEALTH EFFECTS

Mr. HATCH. Mr. President, many of us have been concerned about the health effects of low level radiation. The Health Subcommittee of the Labor and Human Resources Committee, on which both Senator HUMPHREY and I serve, has held two hearings on the subject this year alone. Senator HUMPHREY and I have been investigating this problem in depth, especially as it affects our constituents. I have been concerned about civilians exposed to fallout during bomb tests in Utah in the 1950's, while the distinguished Senator from New Hampshire has been investigating claims that radiation exposure at the Portsmouth Naval Shipyard in New Hampshire has harmed workers there.

Senator HUMPHREY has written an excellent article, appearing in the June 29, 1979, edition of the Portsmouth Herald, which addresses many of the issues that are raised about low level radiation exposure. This article brings the problem into perspective, and I commend it to

the attention of my colleagues. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RADIATION SCARE STORIES

Many have been misled in the past year or two about the health effects of low level radiation. To be sure, no excess of radiation is completely safe.

But scare stories concerning radiation in the Three Mile Island incident and Dr. Narjarian's supposed findings at Portsmouth Naval Shipyard have misled the public. Facts not hysteria, must win out.

First, let's review the facts about radiation exposure to the population surrounding the Three Mile Island nuclear facility.

The current best estimate of the highest possible dose to any one individual is 83 millirem.

This is the dose that would have been received by a hypothetical person standing out-of-doors the entire week of the incident at the spot of highest concentration of radiation. Of course, no one was at this spot, but this will allow estimates of risk to err on the high side. Now, 83 millirem is a hard concept to grasp.

Let's look at it this way. The risk associated with radiation at this level is comparable to the risk of an individual smoking fourteen cigarettes.

Another way of looking at this risk is to examine radiation dosage received from natural background radiation such as cosmic rays. Such radiation cannot be avoided. A person living in Pennsylvania receives about 125 millirem-year of this background radiation.

Such a person would receive an additional 85 millirem, the excess dose received by our hypothetical individual at Three Mile Island, simply by living for one year in North Dakota. Natural background radiation in North Dakota is 210 millirem.

Preceding the scare stories on Three Mile Island was the inaccurate study of Portsmouth Naval Shipyard by Dr. Thomas Narjarian. This study, which received spectacular treatment by the Boston Globe and grabbed headlines in other papers across the country, claimed that workers exposed to occupational levels of radiation were dying of cancer at twice the national average.

Last week, Dr. Narjarian came before the Health Subcommittee on which I serve, and told the committee that his earlier results were in error. A more careful reanalysis of his data by Dr. Colton of Dartmouth showed no significant statistical difference in overall cancer rates. Thus, Dr. Narjarian's earlier study has been substantially repudiated.

The shipyard has an excellent safety record, and its radiation protection procedures are first-rate. The average lifetime exposure to workers exposed to shipyard radiation is less than these same personnel have from exposure to natural background radiation or to medical sources such as X-rays.

I submit that this risk is small compared to the risks in other industrial activities and is small compared to the risks normally accepted in daily life outside work.

Let me add two items of personal interest. My office building here in Washington is constructed of granite blocks which contain a small amount of uranium. The measured radiation from these blocks combined with the natural background radiation and the radiation I have received from X-rays is about the same as the exposure that shipyard workers receive.

In addition, the radiation I received from cosmic rays as an airline pilot exceeds the levels which most shipyard workers receive. Because I flew at altitudes where there was

less protection from these rays, I often received higher-than-average doses of radiation. Radiation has become a fact of life for many occupations.

My purpose in this article is not to dismiss the risks of low level radiation. Every activity has risks. Americans must weigh the risks versus the benefits with all the information available. We must not let scare stories blind us to the real benefits of nuclear power.

Mr. HATCH. I thank the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar, all the nominations with the following exceptions: Calendar Order No. 270 and Calendar Order No. 274.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, all of the items identified by the majority leader are cleared on our calendar, and we have no objection to proceeding to their consideration and their confirmation.

I observe, Mr. President, that one of the names included in the request, the list identified by the majority leader, is that of W. Graham Claytor, which is one of those positions recently filled by the President, pursuant to his request that we try to move these new nominations as soon as possible and in any event prior to the August recess.

I am happy to say that we are in a position to clear that.

But there is another item on the Calendar, and that is the nomination of Mrs. Patricia Roberts Harris.

Did I understand that the majority leader did not include that one at this time?

Mr. ROBERT C. BYRD. Yes, I did include it.

Mr. BAKER. That is included?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. We are pleased to report, Mr. President, that there is no objection to that.

I see, further, that the distinguished Senator from North Carolina is present, and maybe he wishes to reserve on that particular one.

Mr. HELMS. Mr. President, if the Senator will yield, I met with Mrs. Harris this afternoon in my office. We had a frank and candid discussion about a number of issues, two of which particularly are of concern to me, one being the tobacco campaign conducted in a way that resembled vendetta by Mrs. Harris' predecessor, and the other is the difficulty between the Department of Health, Education, and Welfare and the University of North Carolina.

Mrs. Harris and I discussed this issue, as I say, quite extensively, and I was very pleased with the assurances that she gave me.

This lady strikes me as being not only intelligent but levelheaded. She has

agreed that the Federal Government is not competent to run the University of North Carolina, and she has no obsession about the tobacco issue that would prompt her to refuse even to listen to opinions and facts with which she may differ.

With that in mind, Mr. President, I am delighted to have the majority leader call up the Harris nomination, and I am sure it is reported in good faith just as I accepted her assurances in good faith earlier this afternoon.

I have no objection to her nomination. The PRESIDING OFFICER. There being no objection, the Senate proceeded to the consideration of executive business.

The nominations will be stated.

NATIONAL AERONAUTIC AND SPACE ADMINISTRATION

The assistant legislative clerk read the nomination of Eldon D. Taylor, of Virginia, to be Inspector General, National Aeronautics and Space Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The assistant legislative clerk read the nomination of Patricia Roberts Harris, of the District of Columbia, to be Secretary of Health, Education, and Welfare.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed out of order to the consideration of Calendar Order No. 258.

There being no objection, the Senate proceeded to consider the nomination.

The PRESIDING OFFICER. The nomination will be stated.

The assistant legislative clerk read the nomination of W. Graham Claytor, of the District of Columbia, to be Deputy Secretary of Defense.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remaining nominations, with the exception of Calendar Nos. 270 and 274 on the Executive Calendar be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

OFFICE OF PERSONNEL MANAGEMENT

Alan Keith Campbell, of Texas, to be Director of the Office of Personnel Management.

Jule M. Sugarman, of Virginia, to be Deputy Director of the Office of Personnel Management.

FEDERAL LABOR RELATIONS AUTHORITY

H. Stephen Gordon, of Maryland, to be General Counsel of the Federal Labor Relations Authority.

Leon B. Applewhaite, of New York, to be a member of the Federal Labor Relations Authority.

POSTAL RATE COMMISSION

A. Lee Fritschler, of the District of Columbia, to be a commissioner of the Postal Rate Commission.

DEPARTMENT OF COMMERCE

Vincent P. Barabba, of New York, to be Director of the Census.

FEDERAL EMERGENCY MANAGEMENT AGENCY

John W. Macey, Jr., of Virginia, to be Director of the Federal Emergency Management Agency.

DEPARTMENT OF LABOR

William P. Hobgood, of Virginia, to be an Assistant Secretary of Labor.

Mr. ROBERT C. BYRD. Mr. President, I move en bloc to reconsider the vote by which the nominations were confirmed en bloc.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there are, I believe, five orders, are there not, for the recognition of Senators on Monday?

The PRESIDING OFFICER. That is right.

ORDER FOR THE RECOGNITION OF SENATORS JAVITS, PACKWOOD, AND DOLE ON MONDAY, JULY 30, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that preceding those five orders the following Senators be recognized, each for not to exceed 15 minutes: JAVITS, PACKWOOD, and DOLE.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, does that make a total of seven orders for the recognition of Senators, each order being for 15 minutes?

The PRESIDING OFFICER. I believe it is eight.

Mr. ROBERT C. BYRD. Eight. I thank the Chair.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, JULY 30, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that whatever time remains between the completion of the orders for the recognition of Senators on Monday, and the hour of 12:30 p.m., that such time be utilized for the transaction of routine morning business, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, under the order previously entered, I believe I am authorized, after consultation with the minority leader, to call up the military construction authorization bill at any time at the beginning of Monday?

The PRESIDING OFFICER. The Senator is correct.

AUTHORIZATION FOR THE MAJORITY LEADER TO CALL UP THE MILITARY CONSTRUCTION AUTHORIZATION BILL ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I have consulted with the distinguished minority leader, and so I will proceed to call that bill up at 12:30 p.m. on Monday.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I thank the Senator.

I will advise him that the Member on this side who will manage this bill is apprised of that fact and will be on notice.

Mr. ROBERT C. BYRD. Very well. Just to make it by unanimous consent, I ask unanimous consent that at 12:30 p.m. on Monday the Senate proceed to the consideration of the military construction authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 490

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 190, S. 490, the archeological resource bill, is made the pending business before the Senate that there be a time agreement on it as follows: 30 minutes on the bill to be equally divided between Mr. BUMPERS and Mr. HATFIELD; that there be a 20 minute limitation on any amendment, debatable motion or appeal; a 10 minute

limitation on any point of order if such be submitted to the Senate for discussion, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 490 (Order No. 190), debate on any amendment debatable motion or appeal shall be limited to 20 min., to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any point of order, which is submitted or on which the Chair entertains debate shall be limited to 10 min., to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 30 min., to be equally divided and controlled, respectively, by the Senator from Arkansas (Mr. Bumpers) and the Senator from Oregon (Mr. Hatfield): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock Monday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday the Senate will convene at 10 a.m., following the recess. There are orders for the recognition of eight Senators, each for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business during which Senators will be permitted to speak up to 5 minutes each. That period will end not later than 12:30 p.m.

At 12:30 p.m., in any event, the Senate will proceed to the consideration of the military construction authorization bill. There is a time agreement thereon. Roll-call votes will occur.

Next week shapes up as another busy week. It is hoped that during the week the Senate can dispose of, among other things, S. 1145, a bill to amend the Public Works and Economic Development

Act; S. 1150, a bill to provide business financing and other development assistance to alleviate economic distress; S. 835, a bill to extend the Appalachian Regional Development Act, and for other purposes; S. 490, a bill to protect archeological resources owned by the United States; S. 712, a bill to amend the Rail Passenger Service Act; the Treasury-Postal Service appropriation bill; hopefully the Military Construction appropriation bill, if the House acts thereon and sends the bill over in time; the Transportation appropriation bill, if the House acts on that bill; and other measures that may be cleared for action.

It is possible that the House will act on a standby gasoline rationing program, and I hope the House will do that. If that occurs, it is possible that the Senate would have an opportunity to take up that measure and dispose of it before we go out.

I would anticipate some long days next week, with rollcall votes daily, because there remains a good bit of work to be done.

RECESS UNTIL 10 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10 o'clock on Monday morning next.

The motion was agreed to; and at 6:05 p.m. the Senate recessed until Monday, July 30, 1979, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 27, 1979:

NATIONAL CONSUMER COOPERATIVE BANK

The following-named persons to be Members of the Board of Directors of the National Consumer Cooperative Bank for terms of 3 years (new positions).

William A. Clement, Jr., Associate Administrator for Minority Small Business and Capital Ownership Development, Small Business Administration.

Graciela (Grace) Olivarez, Director, Community Services Administration.

FEDERAL RESERVE SYSTEM

Paul A. Volcker, of New Jersey, to be a Member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1978, vice G. William Miller.

Paul A. Volcker, of New Jersey, to be Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years (new position).

THE JUDICIARY

Gene E. Brooks, of Indiana, to be U.S. district judge for the southern district of Indiana, vice a new position created by Public Law 95-486, approved October 20, 1978.

DEPARTMENT OF STATE

The following-named Foreign Service officers for promotion from class 1 to the class of Career Minister:

John Gunther Dean, of New York.

Samuel W. Lewis, of Texas.

Stephen Low, of Ohio.

William H. Luers, of Illinois.

Richard W. Murphy, of Maryland.

James W. Spain, of Florida.

O. Rudolph Aggrey, of the District of Columbia, a Foreign Service information officer of class 1, for promotion to the class of Career Minister for Information.

IN THE ARMY

The following-named officers for promotion in the Army of the United States, under provisions of title 10, United States Code, sections 3442 and 3447:

ARMY PROMOTION LIST

To be colonel

Adams, Frank S. xxx-xx-xxxx
Akin, Jere H. xxx-xx-xxxx
Alexander, Joseph D. xxx-xx-xxxx
Alhouse, Robert D. xxx-xx-xxxx
Allen, Kenneth D. xxx-xx-xxxx
Allen, Lee. xxx-xx-xxxx
Allen, Richard H. xxx-xx-xxxx
Allen, Wayne C. xxx-xx-xxxx
Amend, William B. xxx-xx-xxxx
Andreson, Ronald K. xxx-xx-xxxx
Appling, David A. xxx-xx-xxxx
Apruzzese, Vincent. xxx-xx-xxxx
Archer, John R. xxx-xx-xxxx
Arnold, Wallace C. xxx-xx-xxxx
Arwood, Thomas B. xxx-xx-xxxx
Bair, Arthur H. xxx-xx-xxxx
Baker, Larry A. xxx-xx-xxxx
Banks, John W. xxx-xx-xxxx
Banning, Robert D. xxx-xx-xxxx
Barkley, Craig C. xxx-xx-xxxx
Barnes, William R. xxx-xx-xxxx
Barrere, Richard P. xxx-xx-xxxx
Barrett, William M. xxx-xx-xxxx
Barrow, John P. xxx-xx-xxxx
Bauer, Anthony G. xxx-xx-xxxx
Baxter, Thomas R. xxx-xx-xxxx
Bayha, William T. xxx-xx-xxxx
Beavers, Leslie E. xxx-xx-xxxx
Behm, Peter S. xxx-xx-xxxx
Bellows, Ronald L. xxx-xx-xxxx
Bennett, Richard C. xxx-xx-xxxx
Berdux, Sylvester C. xxx-xx-xxxx
Best, James W. xxx-xx-xxxx
Bihn, Marvin A. xxx-xx-xxxx
Bissell, Norman M. xxx-xx-xxxx
Blair, John D. xxx-xx-xxxx
Blakely, Clyde H. xxx-xx-xxxx
Bliss, Richard A. xxx-xx-xxxx
Bloedorn, Gary W. xxx-xx-xxxx
Bloom, John D. xxx-xx-xxxx
Boes, Richard W. xxx-xx-xxxx
Bogart, William V. xxx-xx-xxxx
Boice, Craig H. xxx-xx-xxxx
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 Williams, David K., xxx-xx-xxxx
 Williams, Francis M., xxx-xx-xxxx
 Williams, John B., xxx-xx-xxxx
 Williams, Phillip J., xxx-xx-xxxx
 Williams, Robert B., xxx-xx-xxxx
 Williamson, Donald, xxx-xx-xxxx
 Willis, James S., Jr., xxx-xx-xxxx
 Wilson, Carroll R., xxx-xx-xxxx
 Wilson, David G., xxx-xx-xxxx
 Wilson, Donald E., xxx-xx-xxxx
 Wilson, Gifford D., xxx-xx-xxxx
 Wilson, John S., xxx-xx-xxxx
 Winslow, Robert A., xxx-xx-xxxx
 Wise, Paul E., xxx-xx-xxxx
 Wist, Fred C., xxx-xx-xxxx
 Wittenberg, Kenneth, xxx-xx-xxxx
 Wolfe, Rodney D., xxx-xx-xxxx
 Wollenberg, William, xxx-xx-xxxx
 Womack, Daniel, Jr., xxx-xx-xxxx
 Wood, Robert D., xxx-xx-xxxx
 Woolweaver, Robert, xxx-xx-xxxx
 Wooten, R. J., xxx-xx-xxxx
 Wright, Dean W., xxx-xx-xxxx
 Wright, Willie F., xxx-xx-xxxx
 Wulff, Roy A., xxx-xx-xxxx
 Xenos, Michael J., xxx-xx-xxxx
 Yamaguchi, Phillip, xxx-xx-xxxx
 Yarbrough, William, xxx-xx-xxxx
 Yaugo, Edward O., xxx-xx-xxxx
 Young, Leon A., xxx-xx-xxxx
 Zachary, James L., xxx-xx-xxxx
 Zouzalik, Ervan E., xxx-xx-xxxx

CHAPLAINS

To be colonel

Andrews, Joel E., xxx-xx-xxxx
 Bagnal, William K., xxx-xx-xxxx
 Bell, Berdon M., xxx-xx-xxxx
 Bowers, Curtis R., xxx-xx-xxxx
 Carey, John C., xxx-xx-xxxx
 Deveaux, John A., xxx-xx-xxxx
 Easley, Howard A., xxx-xx-xxxx
 Einertson, Norris L., xxx-xx-xxxx
 Ennis, Robert J., xxx-xx-xxxx
 Greene, Everett H., xxx-xx-xxxx
 Grubb, Hugh M., xxx-xx-xxxx
 Hill, Charles F., xxx-xx-xxxx
 Hoogland, John J., xxx-xx-xxxx
 Hughes, Marvin C., xxx-xx-xxxx
 Jalbert, Armand N., xxx-xx-xxxx
 James, Leroy, xxx-xx-xxxx

Kohl, Richard W., xxx-xx-xxxx
 Lembke, Paul W., xxx-xx-xxxx
 Libby, Billy W., xxx-xx-xxxx
 Linderman, James R., xxx-xx-xxxx
 Ness, Leroy T., xxx-xx-xxxx
 Prout, Gordon R., xxx-xx-xxxx
 Roque, Francis X., xxx-xx-xxxx
 Thomas, Everette J., xxx-xx-xxxx
 Thompson, James G., xxx-xx-xxxx
 Todd, Ermine, Jr., xxx-xx-xxxx
 Walker, Norman G., xxx-xx-xxxx

JUDGE ADVOCATE GENERAL'S CORPS

To be colonel

Boller, Richard R., xxx-xx-xxxx
 Coker, James R., xxx-xx-xxxx
 Dahlinger, Richard, xxx-xx-xxxx
 Downes, Michael M., xxx-xx-xxxx
 Gray, David T., xxx-xx-xxxx
 Haight, Barrett S., xxx-xx-xxxx
 Hamel, Robert D., xxx-xx-xxxx
 Johnson, Jeremy R., xxx-xx-xxxx
 Kucera, James, xxx-xx-xxxx
 McCune, James N., xxx-xx-xxxx
 Murray, Robert E., xxx-xx-xxxx
 Myers, Walter K., xxx-xx-xxxx
 O'Brien, Francis D., xxx-xx-xxxx
 Rice, Paul J., xxx-xx-xxxx
 Stewart, Ronald B., xxx-xx-xxxx
 Subrown, James C., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be colonel

Bayne, Calvin, xxx-xx-xxxx
 Bishop, Garland G., xxx-xx-xxxx
 Black, Edward J., xxx-xx-xxxx
 Brand, Fred C., xxx-xx-xxxx
 Brown, George L., xxx-xx-xxxx
 Bryant, Robert J., xxx-xx-xxxx
 Cobbs, John R., xxx-xx-xxxx
 Corn, Poe R., xxx-xx-xxxx
 DePonte, Joseph P., xxx-xx-xxxx
 Dryden, David D., xxx-xx-xxxx
 Ellingson, Mayo K., xxx-xx-xxxx
 Emmons, Bobby B., xxx-xx-xxxx
 Fechner, Ruben F., xxx-xx-xxxx
 Habeck, Edgar J., xxx-xx-xxxx
 Hanson, Robert L., xxx-xx-xxxx
 Harris, Cecil B., xxx-xx-xxxx
 Hayes, John D., xxx-xx-xxxx
 Helser, Carl W., xxx-xx-xxxx
 Herek, Robert L., xxx-xx-xxxx
 Jackson, Thomas C., xxx-xx-xxxx
 Jones, Ronald C., xxx-xx-xxxx
 Joyce, Brendan E., xxx-xx-xxxx
 Kennan, James S., xxx-xx-xxxx
 Korte, Thomas H., xxx-xx-xxxx
 LaFleur, George J., xxx-xx-xxxx
 Ockert, Carroll A., xxx-xx-xxxx
 O'Donnell, Frank P., xxx-xx-xxxx
 Pedersen, Edward R., xxx-xx-xxxx
 Picha, Norbert O., xxx-xx-xxxx
 Pollock, Archie D., xxx-xx-xxxx
 Redman, David E., xxx-xx-xxxx
 Rengstorff, Roy H., xxx-xx-xxxx
 Reuter, Leroy H., xxx-xx-xxxx
 Roberts, John E., xxx-xx-xxxx
 Schiefer, Donald D., xxx-xx-xxxx
 Slyman, George L., xxx-xx-xxxx
 Sobocinski, Philip, xxx-xx-xxxx
 Story, Jack P., xxx-xx-xxxx
 Summary, Robert J., xxx-xx-xxxx
 Taylor, Edward J., xxx-xx-xxxx
 Tuten, William R., xxx-xx-xxxx
 Uemura, Edward H., xxx-xx-xxxx
 Wilson, Jack R., xxx-xx-xxxx
 Wood, Malcolm H., xxx-xx-xxxx

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Appleby, Howard A., xxx-xx-xxxx
 Carmona, Louis S., xxx-xx-xxxx
 Fritsch, Ann D., xxx-xx-xxxx
 Iacoboni, Frances A., xxx-xx-xxxx
 Mount, Dorothy M., xxx-xx-xxxx
 Sakson, Donald A., xxx-xx-xxxx

VETERINARY CORPS

To be colonel

Bellamy, Albert D., xxx-xx-xxxx
 Carraway, Claude W., xxx-xx-xxxx

Clark, William H., xxx-xx-xxxx
 DePaoli, Alexander, xxx-xx-xxxx
 Droite, James E., xxx-xx-xxxx
 Huxsoll, David L., xxx-xx-xxxx
 Keefe, Thomas J., xxx-xx-xxxx
 Kovatch, Robert M., xxx-xx-xxxx
 Loizeaux, Peter S., xxx-xx-xxxx
 Ottenberg, John C., xxx-xx-xxxx
 Stedham, Michael A., xxx-xx-xxxx

ARMY NURSE CORPS

To be colonel

Butkiewicz, Edward, xxx-xx-xxxx
 Frederico, Anna K., xxx-xx-xxxx
 Goshling, Bernadine, xxx-xx-xxxx
 Hammer, Joyce A., xxx-xx-xxxx
 Harvey, John J., xxx-xx-xxxx
 Hill, Perry J., xxx-xx-xxxx
 Hoover, Mary P., xxx-xx-xxxx
 Hoppe, Jeanne, xxx-xx-xxxx
 Huber, James O., xxx-xx-xxxx
 Jones, Addie B., xxx-xx-xxxx
 Messerschmidt, Mary, xxx-xx-xxxx
 Miller, Teryl R., xxx-xx-xxxx
 Romeo, James J., xxx-xx-xxxx
 Seufert, Helen J., xxx-xx-xxxx
 Sinclair, Janie A., xxx-xx-xxxx
 Soltys, Anthony W., xxx-xx-xxxx
 Sullivan, Barbara A., xxx-xx-xxxx
 Vineys, Eugenia A., xxx-xx-xxxx

ARMY PROMOTION LIST

To be lieutenant colonel

Deuarona, Jose R., Sr., xxx-xx-xxxx
 McGrail, Francis J., xxx-xx-xxxx
 Middleton, Thomas C., xxx-xx-xxxx
 Mize, William F., Jr., xxx-xx-xxxx
 Reid, John F., xxx-xx-xxxx
 Watt, Murray B., xxx-xx-xxxx

IN THE NAVY

The following-named commanders of the U.S. Navy for temporary promotion to the grade of captain in the line, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualification therefor as provided by law:

Adkins, James N., Jr. Burns, Charles E.
 Adler, Roy W. Burns, John J.
 Akers, Max N. Buss, Richard H.
 Albrecht, Carl J. Butcher, Bradley A.
 Alexander, Edward E., Jr. Butterfield, John A.
 Alexander, Hershel D. Calhoun, John F.
 Alexander, Corington A., Jr. Calvert, John F.
 Allender, George R. Calvin, Donald U.
 Alvarez, Raoul Carlson, William C.
 Anckonie, Alex III. Carpenter, John E.
 Anderson, Bryan R. Carson, Aubrey W.
 Anderson, Donald R. Carson, Richard L.
 Armbruster, William A. Catalano, Peter R.
 Bailey, Fred W. Chadick, Wayne L.
 Ball, Ronald F. Chambers, Leroy
 Barnes, Fletcher J., III Chiles, Henry G., Jr.
 Barnhart, Don H. Christensen, Robert
 Barringer, Larry E. Clardy, Herman S., Jr.
 Bennett, David G. Clarity, Michael G.
 Bennett, David M. Clinton, John C.
 Berg Robert P. Coldwell, Thomas
 Bitoff, John W. Cole, Gerald L.
 Blasch, Lynn P. Colley, Michael C.
 Blatt, Russel N. Collins, James E.
 Bloh, William C. Collins, John F.
 Boecker, Donald V. Connerton, James E., Jr.
 Boland, Joseph E., Jr. Cox, David R.
 Boorda, Jeremy M. Cox, Kenneth H.
 Borcik, David E. Coyne, George K., Jr.
 Bowles, Vivian K. Crowninshield, George W.
 Brandt, Robert T. Curry, James D.
 Brickner, John S. Curtin, James M.
 Briggs, Roger C. Dafeo, James L.
 Brooks, Paul E. Daniels, Shane P.
 Brown, Michael J. Davis, Walter J., Jr.
 Brown, Ronald L. Dawson, William H.
 Bruce, Malvin D. Delpercio, Michael, Jr.
 Brune, Charles M. Desko, Daniel A.
 Bull, Lyle F. Dipalma, Robert F.
 Bunting, Keith M. Dittrick, John J., Jr.
 Burcher, Philip E. Dombrowski, Renny R.
 Driver Ace C., Jr. Dressler, Joseph A.

Drude, Leonard J.
 Duff, Karl M.
 Duffey, Russell G.
 Dunbar, Douglas P., Jr.
 Dundon, Alan M.
 Dykeman, Charles J.
 Edgemoor, John W., III
 Eglin, James M.
 Elkel, Harvey A.
 Elliott, George M.
 Ellison, Paul E.
 Evans, Ronald A.
 Farnham, David W.
 Farrar, Bobby C.
 Ferguson, Robert H.
 Fisher, James R.
 Fitzgerald, Thomas A., Jr.
 Flanagan, George T.
 Fleming, James J.
 Fleming, Thomas E.
 Forst, Ronald J.
 Franklin, John S.
 Gamboa, John F.
 Gatje, Peter H.
 George, Hugo C.
 Gerrish, Donald A., Jr.
 Gibson, David B.
 Gies, Leo C.
 Gillett, Robert M., Jr.
 Given, Philip R.
 Goldenstein, Gordon R.
 Gomez, Alvaro R.
 Goodwin, Robert L., Jr.
 Gorham, David S.
 Gorham, Milton R., Jr.
 Grafel, Lynn H.
 Gram, Emil G.
 Guilbault, Roland G.
 Gunter, Billie G.
 Haag, Ernest V.
 Hagan, Wayne E.
 Hahn, Donald L.
 Hahn, Dwight E.
 Haines, Donald A.
 Hallier Manuel A.
 Halye, Lawrence A.
 Hardy, Ray S., Jr.
 Harrison, Joe P.
 Harriess, David J.
 Hayes, William V.
 Hebert, Larry
 Henderson, Arnold H.
 Hendricks, Paul V.
 Henry, Robert L.
 Hernandez, Jesse J.
 Herold, Lance
 Heuberger, Nathan A.
 Hill, Martin G.
 Hill, Virgil L., Jr.
 Hilt, John W.
 Hoech, Donald G.
 Holland, John D., Jr.
 Holt, William C.
 Horn, Leslie J.
 Howard, William S., III
 Huff, Douglas
 Hunter, Harold C.
 Huntington, Stuart L.
 Jackson, Milton, Jr.
 Jacobs, Paul H.
 Jacobs, Selby W.
 Jampoler, Andrew C. A.
 Jones, Arden W. F., Jr.
 Jones, Howard R., Jr.
 Kaup, Robert C.
 Kelley, Robert D.
 Kenney, James A.
 Kerr, Daryl L.
 Kersh, John M.
 Kight, James R.
 Killelea, Francis R.
 Kinnier, John W.
 Kirby, Raymond E.
 Kletter, David M.
 Klinedinst, Paul R., Jr.
 Knott, Richard C.
 Konkel, Harry W.
 Kuhlke, Robert E.
 Kunkel, Barry E.
 LaChance, George M., Jr.
 Lamoureux, Robert J.
 Langdon, Stewart D.
 Larzelere, Charles W., III
 Lavallee, William F.
 Lee, Leonard F.
 Lehmberg, George R., Jr.
 Lesesne, Henry D.
 Leshko, Thomas J.
 Lineberger, Preston H.
 Lisle, George F.
 Lloyd, George T.
 Lowe, Larry T.
 Lowery, Needham H.
 Lucas, Robert P.
 Ludwig, Ronald E.
 Lyon, Edward, III
 Macke, Richard C.
 Mackenzie, Franklin F.
 Magee, James A.
 Maier, Peter T.
 Major, James A.
 March, Daniel P.
 Mathews, James P.
 Matthews, Gary D.
 Mauz, Henry H., Jr.
 May, Wesley
 Mayo, Ned H.
 McCandless, Bruce, II
 McCartney, Roy S., Jr.
 McCarty, Kenneth R.
 McCorry, John H.
 McCullough, Martin L.
 McEwen, Robert M.
 McFerren, Robert W.
 McGhee, Kenneth B.
 McGuire, Michael L.
 McKinney, Charles J., Jr.
 McLaughlin, Bruce C.
 McNulla, James E., III
 McVadon, Eric A., Jr.
 Melanson, Edward J., Jr.
 Mercer, Thomas A.
 Merriken, Stuart A.
 Meyer, Dale A.
 Mezzadri, Francis X.
 Midgarden, Peter N.
 Midvedt, Harold L.
 Miller, Hawkins G.
 Miller, Robert D.
 Milligan, Richard D.
 Molenda, Paul H.
 Monroe, Philip A.
 Monteath, Gordon M., Jr.
 Moore, James B.
 Moore, Thomas J.
 Morris, Clyde C.
 Mosher, Norman G.
 Mosman, Donald E.
 Munsinger, Melvin D.
 Murphy, John C.
 Musgrove, Robert W.
 Nakagawa, Gordon R.
 Nash, Norman B.
 Newton, George B., Jr.
 Nutting, Roger M.
 Oberne, Frank, Jr.
 O'Neal, Edward A.
 Ong, Richard E.
 Osborne, Robert B.
 Otto, Carl H.
 Pabst, Howard L.
 Pape, Jerry L.
 Parcells, Paul W.
 Patrick, Meredith W.
 Pauole, Alvin H.

Pearce, Michael A.
 Pease, Charles C.
 Peden, Joe D.
 Pellerin, Alfred E., III
 Peltz, Theodore A.
 Penny, Lawrence A.
 Perkins, Robert S., Jr.
 Peters, John D.
 Peterson, Charles A.
 Petroske, Kenneth C.
 Phelps, George T.
 Phillips, Robert E.
 Pippenger, William W.
 Pivarnik, William D.
 Polski, Paul A.
 Powell, Richard A.
 Proctor, Robert R.
 Putnam, Wayne A.
 Pyle, Ronald W.
 Rager, Richard R.
 Rasmussen, John D.
 Rauch, Leo A.
 Ready, John K.
 Reed, William H., Jr.
 Rehder, William A.
 Reister, Walter A.
 Reinder, Ronald W.
 Renner, William S.
 Ressler, Paul M.
 Rice, William L.
 Riley, Roy G.
 Riley, William E.
 Robinson, Kenneth F.
 Roche, James G.
 Roder, Peter S.
 Rodgers, John M.
 Rogers, Gerald W.
 Rohrbough, John D.
 Roper, Vincent W.
 Rose, Clifford A., Jr.
 Rosen, Robert S.
 Roth, James E.
 Runzo, Melvin A.
 Ruppert, Noel L.
 Russell, Harold B.
 Sawdey, Phillip G.
 Sawyer, Tommy D.
 Schluntz, Frank R.
 Schmidt, Arnold C.
 Schramm, William G.
 Schroeder, Gerard R.
 Schulz, William J.
 Searcy, William P.
 Sheehan, James E.
 Sherburne, Douglas M.
 Sherman, John E.
 Shope, Theodore L.
 Silverman, Richard A.
 Skezas, George C.
 Slaven, Robert K., Jr.
 Siye, Richard E.

Smith, John S.
 Smith, Leighton W., Jr.
 Smith, Nepler V.
 Smith, Ralph E.
 Smith, William P.
 Sorensen, Richard S.
 Sorna, Ronald E.
 Springer, Judson H.
 Starbird, Gary L.
 Staudenmayer, Frederick G.
 Steckler, Charles T.
 Stokes, Carl J., Jr.
 Streeter, Gregory F.
 Strickland, Virgil E., Jr.
 Strohsahl, George H., Jr.
 Stubbs, George R.
 Stumcke, Frederick B., Jr.
 Sullivan, Gerald F.
 Sullivan, George E., III
 Summers, Carl R.
 Susag, Gary R.
 Svoboda, Henry D., Jr.
 Taft, Denis J.
 Taggart, Donald J.
 Taylor, James R. C.
 Taylor, Jimmie W.
 Taylor, John K.
 Taylor, Raynor A. K.
 Tedder, James E.
 Templeton, Felix E.
 Tenebrancia, Ambrose J., Jr.
 Terry, Bert D.
 Thomas, James P. L.
 Thomas, Richard W.
 Thomas, Robert D.
 Tribes, Carl J., Jr.
 Troutman, Darrell C.
 Truesdell, William M.
 Truly, Richard H.
 Tucker, Robert E., Jr.
 Tuft, Markham D.
 Turpin, Thomas J., Jr.
 Vanatta, Jerry L.
 Vaught, Clarence T.
 Vick, John C.
 Victor, Alfred E.
 Vogt, Larry G.
 Waples, John M.

Warren, Robert L.
 Watson, Ian M.
 West, Ward L.
 Whitby, Ralph E., Jr.
 White, Steve C.
 Whitmire, Robert L.
 Whittaker, Thomas K.
 Wile, Alan R., Jr.
 Wiley, Robert C.
 Wilson, Alger L.
 Wilson, Richard J.

The following-named women commanders of the U.S. Navy for permanent promotion to the grade of captain in the line, pursuant to title 10, United States Code, section 5771 and 5791, subject to qualification therefor as provided by law:

Acosta, Delores Y.
 Dupes, Yvonne M.
 Suse, Barbara J.

Lt. Robert L. Caldwell, Medical Corps, of the Reserve, of the U.S. Navy for temporary promotion to the grade of lieutenant commander, in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5793 and 5791, subject to qualification therefor as provided by law.

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line), 5773 (staff corps), and 5791, subject to qualification therefor as provided by law:

LINE

Arterburn, George K., Jr.
 Bentleysmith, Thomas G.

SUPPLY CORPS

Mullen, Peter L.
 Newell, William M.
 Schneeberger, Rudy L.

CIVIL ENGINEER CORPS

Kucinski, John M.

The following-named lieutenant (junior grade) of the line, of the U.S. Navy, for appointment in the Supply Corps as permanent ensign and temporary lieutenant (junior grade), pursuant to title 10, United States Code, section 5582(b) and 5791, subject to qualification therefor as provided by law:

Presto, Anthony F.

The following-named lieutenant (junior grade) of the Supply Corps, of the U.S. Navy for appointment in the line, as permanent ensign and temporary lieutenant (junior

Witherspoon, Emanuel E.
 Wood, Phillip R.
 Woodbury, David E.
 Wright, Arthur S.
 Wright, Leo C.
 Wright, William A.
 Young, Ernest T., Jr.
 Young, Howard L., Jr.
 Young, Robert B.
 Yow, John S.
 Zimdar, Robert E.

grade), pursuant to title 10, United States Code, section 5582(a) and 5791, subject to qualification therefor as provided by law:

Russell, Henry G.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 27, 1979:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Eldon D. Taylor, of Virginia, to be Inspector General, National Aeronautics and Space Administration.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Patricia Roberts Harris, of the District of Columbia, to be Secretary of Health, Education, and Welfare.

OFFICE OF PERSONNEL MANAGEMENT

Alan Keith Campbell, of Texas, to be Director of the Office of Personnel Management for a term of 4 years.

Jule M. Sugarman, of Virginia, to be Deputy Director of the Office of Personnel Management.

FEDERAL LABOR RELATIONS AUTHORITY

Leon B. Applewhalke, of New York, to be a member of the Federal Labor Relations Authority for a term of 3 years.

H. Stephan Gordon, of Maryland, to be General Counsel of the Federal Labor Relations Authority for a term of 5 years.

POSTAL RATE COMMISSION

A. Lee Fritschler, of the District of Columbia, to be a Commissioner of the Postal Rate Commission for the term expiring October 14, 1982.

DEPARTMENT OF DEFENSE

W. Graham Claytor, of the District of Columbia, to be Deputy Secretary of Defense.

BUREAU OF THE CENSUS

Vincent P. Barabba, of New York, to be Director of the Census.

FEDERAL EMERGENCY MANAGEMENT AGENCY

John W. Macy, Jr., of Virginia, to be Director of the Federal Emergency Management Agency.

DEPARTMENT OF LABOR

William P. Hobgood, of Virginia, to be an Assistant Secretary of Labor.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

THE OLYMPIC PRISON AT LAKE PLACID

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to share with my colleagues an article which appeared in last month's issue of *Politics Today* dealing with the issue of the "Olympic Village" at Lake Placid.

The article follows:

GOLD MEDALS, STEEL BARS

(By Cary Goodman)

(NOTE.—After the athletes go home from the 1980 winter games, Lake Placid's Olympic

Village will become a federal prison—a plan that's attracted an international chorus of critics.)

It's to be called a village, and the press guide describes it as a campus. But, in fact, the athletes' quarters for the 1980 Winter Olympics in Lake Placid, New York, will be a prison. Construction is 70 percent complete, and already there are steel bars on the windows and doors of 1½-inch heavy metal frames. The electrical outlets will be "tamper-proof." Everything down to the blue, rust and gold graphics used to decorate the buildings has been chosen by the site's owner, the Federal Bureau of Prisons.

The bureau is not normally in the business of providing opportunities for Nordic skiing or housing accommodations for the world's best athletes. When it comes to famous white-collar criminals like Mitchell, Halderman and Dean, there might be some golf or tennis provided at a "resort" like Allenwood. But, for most of the 23,000 inmates in the

federal system, recreation is usually confined to boxing and basketball. Typical of the federal system, the medium security facility at Ray Brook, near Lake Placid, is designed for younger felons serving time for crimes like car theft, bank robbery and drug dealing. It is not the sort of place the U.S. Government would go out of its way to show to foreign visitors. Yet, through the eyes of participating athletes and the TV cameras that will cover the 1980 Winter Olympics, Ray Brook will do much to shape America's image abroad.

The rooms that will house nearly 1,000 of the expected 1,800 competitors and coaches are only 13 feet long, 7 feet wide and 9½ feet high, with a single, barred 14-inch window. Two international sportsmen or women are expected to occupy whatever space is left after each room is furnished with a writing desk, chair, closet, toilet, and bunk bed. There won't be room for skiers or bobsledders to check their equipment. For that,

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.